

The NATIONAL UNDERWRITER

Life Insurance Edition

Library of Congress
Arbor Vitae
Mar 28 1941

B-40

MAY 2 1941

Insurance Library



Disinherited...by the kindest of fathers?

To make sure that your delays have not disinherited a child, or otherwise financially penalized members of your family, review all your life insurance policies—now—with a Northwestern Mutual agent...

TIME makes frequent and often sudden changes in your family situation which demand changes in your insurance policies. The birth of another child, the death of a mother, the marriage of a daughter, the need for harmonizing your life insurance with social security benefits—often go unrecognized for years.

IN "GOOD SHAPE," BUT—last year Northwestern Mutual agents helped the owners of 121,816 policies adjust their insurance to new needs or conditions. In many of these cases, action had been long postponed, although the agent had frequently pointed out the need for review. In some instances, the last born child had not been named as a contingent beneficiary. In other cases, policies were found to be still payable to a mother who had died. In many policies that provided for monthly income payments to the wife, no account had been taken of social security benefits. In many cases, the

need for change had not even been recognized until the Northwestern Mutual agent pointed it out.

MONTHLY INCOME PLAN—The Northwestern Mutual agent, too, can show you how to make insurance dollars go farther by taking advantage of the income settlement provisions in all your life insurance policies. Northwestern Mutual agents have an enviable record of service to policyholders, as evidenced by the fact that The Northwestern Mutual sends out an average of over 16,108 checks per month for installment payments to beneficiaries.

Review YOUR policies with the Northwestern Mutual agent—the service costs nothing—imposes no obligation. To prevent later disappointments and confusion, make sure now that your life insurance benefits will be paid to the right people at the right time and in the right way. You may delay, but time will not.



We are **THE NORTHWESTERN MUTUAL**
LIFE INSURANCE COMPANY
MILWAUKEE, WIS.

This advertisement appears in the Saturday Evening Post to help provide a favorable background for the sales work of Northwestern Mutual agents.

FRIDAY, MAY 2, 1941



1 Absorbed in classroom study of underwriting procedure and the technique of selling, a Travelers agent is preparing himself for profitable field work.



2 Back in his own office, he examines a sign of achievement—his diploma—proof of satisfactory classroom work. He knows the fundamentals of modern insurance salesmanship.



3 He tries out his wings. First calls are made with an experienced fieldman. He sees and studies "how it's done."



4 Taking the order to The Travelers counter, where helpful underwriting assistance is available at all times.



5 Now he tries some "cold canvass" calls, entirely on his own. Producing one application a week, he is confident of eventual success.



6 Associating with successful insurance agents, our new man picks up many helpful selling tips, which aid in paving the way to a profitable career.

A number of sales records have been made by Home Office School Alumni. Ask any Travelers Manager for information on Sales Training Courses.

THE TRAVELERS INSURANCE COMPANIES

HARTFORD, CONNECTICUT

Courses for those who will specialize in Casualty and Surety Lines

Courses for those who will specialize in Life and Accident

The NATIONAL UNDERWRITER

Forty-fifth Year—No. 18

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, MAY 2, 1941

\$3.00 Year, 15 Cents a Copy

New Light Thrown on Role of Science in Picking Salesmen

Results Show Psychology
Aids More in Interview
Techniques Than in Test

NEW YORK—The importance of scientifically conducted interviews as a means of predicting salesmen's success was emphasized at the American Management Association marketing division conference here. Tests of various types are valuable and have a definite role in the selection of salesmen but should be used more as a means of confirming or questioning the conclusions which the manager reaches independently of the tests. The usual reaction is to regard tests as worthless or else as being a cure-all and to rely too heavily on them.

Thomas M. Stokes, staff supervisor, field training division, Metropolitan Life, in his introductory remarks as session chairman, indicated that the brightest hope of predicting more accurately a man's success as a salesman is to be found in improvement of interviewing methods so as to bring out additional significant information. He made the point that the psychologist, being a scientist, is primarily interested in long-range objectives while the executive, though also interested in these aims, is in the main forced to grapple with day-to-day problems and those of the immediate future.

Psychologist Held Valuable

Nevertheless a psychologist, either on the staff or retained on a consulting basis, can be of great value in the distribution end, for he can help in many ways with immediate problems in his field while making progress toward the long-range goal. Mr. Stokes compared the relationship of psychologist and business executive to that of a general, who is necessarily concerned with the battle immediately at hand, and the staff strategy expert, whose thinking is directed toward the conduct of the entire war.

The psychologist is a scientist and should be so regarded, even though the improvements he effects are more difficult to put one's finger on than those of physicists, chemists, and other scientists in industry, Mr. Stokes said. Discussing personality tests and other aptitude measurements, he said that these should be given after the manager has sized up the applicant. Where the test is given first the manager has a tendency to be too favorable if the test result is good. Managers and others charged with selecting salesmen should remember, he said, that judgment must always be the deciding factor in determining.

(CONTINUED ON PAGE 23)

Actuaries' Program for Spring Meeting

Investments, Production,
Effects of War Subjects at
Toronto Gathering

Procedure of Canadian companies in meeting underwriting problems arising out of the war, investments and production questions are subjects for discussion at the spring meeting of the American Institute of Actuaries to be held in the Royal York hotel, Toronto, June 5-6. The complete program mailed to members this week lists as subjects for the informal discussion:

Topics Up for Discussion

I. Underwriting. 1. How are the Canadian companies meeting the various underwriting problems arising out of the war? 2. (a) What underwriting restrictions have been adopted by United States companies with respect to the granting of new insurance to: (1) Individuals subject to draft under the selective training and service act? 2. Military personnel? (3) Civilian aviation risks? (b) What practices are being followed with respect to the reinstatement of policies on individuals in the above categories? 3. What recent developments have there been in regard to the adoption of war clauses by United States companies?

Investment Subjects

II. Investments. 1. What effect is the defense program likely to have on insurance companies' investments both present and future? 2. (a) What are the arguments for and against investment in stocks by life insurance companies? (b) What methods are suggested by which stocks might be valued so as to cushion the effect on surplus of a depressed stock market at the year's end?

III. Production. 1. What is the trend in the sales of industrial insurance in the United States and Canada? In the sales of ordinary juvenile insurance? 2. What restrictions have been placed on the issuance of single premium and other high premium plans of insurance?

"Off-the-Record" Discussions

1. What special problems face the Canadian companies under the new unemployment insurance act?

2. What underlying interest and mortality factors should be adopted for optional settlement provisions,

3. What are the reasons for and against adopting a 3 per cent reserve basis for non-participating policies? To what extent is such a basis being adopted?

4. What plans of compensating employees during military service have been adopted by various employers holding group insurance contracts, and what effect do these plans have on the rights of employees under such contracts?

5. What likelihood is there that agents will be brought under social security insofar as retirement benefits are concerned?

6. What are the latest developments in connection with the adoption of new mortality tables for valuation purposes

Statisticians Pick Miller President

Stress Cooperation
with Management
at Chicago Parley

At the annual convention of the Insurance Accounting & Statistical Association held at the Edgewater Beach Hotel in Chicago, B. H. Miller, statistician of State Farm Life, was elected president. Other new officers are: F. H. Eyler, assistant comptroller General American Life, vice-president; R. A. Clark, consulting actuary Haight, Davis & Haight, Omaha, secretary-treasurer; R. L. Hughes, statistician Guarantee Mutual Life, assistant secretary-treasurer.

Directors are: J. P. Walker, assistant secretary Southland Life, life section; C. S. Jones, statistician Indiana Lumbermen's Mutual, fire section; F. I. Hooper, assistant secretary Continental Casualty, casualty section; E. F. Cooley, assistant supervisor Prudential, research; I. H. Wagner, controller Business Men's Assurance, publicity; G. D. Gurley, accountant Jefferson Standard Life, publications.

Statistician and Management

At the general session which opened the proceedings, E. M. Karrmann, controller American United Life, sounded the theme of this year's convention. It is up to the statistician, he said, to furnish

(CONTINUED ON PAGE 24)

and a new basis for nonforeiture values,

7. Have there been any recent developments with respect to substantial changes in accompanying accounting methods and annual statement forms?

To View Papers Presented

Various papers presented at the previous meeting will be discussed. These include: "Relations between the average amount of insurance per policy and the height and weight of the insured," by B. Franklin Blair; "Further developments in group hospital expense insurance," by G. W. Fitzhugh; "A Method for grading commission scales by plan and age at issue," by Edward A. Rieder; "Methods of calculating unit expenses for asset shares," by E. H. Wells and C. B. Laing; "A general formula for cash values," by R. E. Lane and H. M. Sarason; "Summation as a function of any terms," by Edmund C. Berkeley, and "Actuarial Note: Attained-age valuation formulas," by Harry M. Sarason.

Sessions will be held in the morning and afternoon June 5, with election of officers, and another session June 6, attendance being limited to fellows, associates and representatives of contributing members.



B. H. Miller

Investment Problem Chief Topic at L. O. M. A. Meeting

Possible New Outlets
Discussed; Effect of
War Described

NEW YORK—None of the suggestions that have been advanced for expanding life company investment outlets provide an adequate solution of the problem and consequently larger companies are faced with the choice of buying increasingly larger amounts of government bonds or liberalizing their investment programs to include investments heretofore regarded as unsuitable to the primary investment objectives of institutions having fixed dollar obligations, Dr. Thatcher C. Jones of New York University school of business said in his address on present and probable future trends in life company investment policies at the Life Office Management Association's spring conference here.

Dr. Jones said the best of the new suggestions seems to be investments in large-scale housing but pointed out that this is a new field and it will take experience to show the proper course in handling such investments. Few investment opportunities have not been carefully explored by life company investment managements, but the exigencies of the situation warrant most serious consideration of less attractive investment channels than the major fields that have already been utilized.

Sees Secondary Openings

"Possible commitments in secondary opportunities such as larger holding of preferred and guaranteed stocks to the extent practicable, possible acquisition in limited amounts of the most conservative common stocks, development of housing projects and increase in other real estate operations, exploration of suitable loans to small business concerns and the taking over of the functions of some of the financing agencies, are all possibilities of debatable attractiveness," said Dr. Jones.

Taking up these suggested investment channels, Dr. Jones said that recent real estate developments by few large companies indicate progressive investment management and that, while experience is too recent and inadequate to provide sound conclusions as to the wisdom of such undertakings it is just such foresight and pioneering that apparently is being demanded of management.

Not for Common Stocks

Dr. Jones said he was not prepared to endorse the recommendation of SEC Commissioner Sumner T. Pike, who urged investments in equities for life companies, but said in the interest of diversification and a broadening of investment sources it might not be too

(CONTINUED ON PAGE 12)

Connecticut House Passes Bank Bill

New Measure Provides \$3,000 Limit While Senate Favors \$1,000

HARTFORD—Both houses of the Connecticut legislature have now passed savings bank life insurance bills, the Republican controlled house following the suit of the Democratic senate. There are marked differences on the amount of coverage, who will administer the law and the question of a state subsidy which have to be ironed out in conference before a final measure can be approved.

The senate bill calls for a \$1,000 limit to any one policyholder, regardless of how many banks issue the insurance while the house bill allows \$3,000. The senate bill allows for a \$25,000 state subsidy, while the house bill authorizes no appropriation but sets up a \$5,000 guaranty fund for each participating bank.

Under normal procedure the bills will not reach conference until late this week. It will be up to the conference committee consisting of two representatives and one senator to reconcile differences and pilot such a compromise through both branches. Democrats have indicated they will insist that the senate bill call for a separate state department, rather than control by bank commissioner, Walter Perry, who has opposed savings bank insurance. In return for this, it is indicated, the senate will yield on the state appropriation of \$25,000, provided in the senate bill but stricken out of the house version as subsidy.

Followed Long Debate

Action by the house followed a long debate. Speaker Alcorn took the floor and criticized Connecticut insurance companies for not providing small insurance policies for low income groups.

Leading opposition to the bill was Walter Howe, chairman of the house banks committee, who stated the measure will not accomplish the purposes claimed.

Immediately after the close of the house session, the banks committee went into executive session and voted a favorable report on a bill offered by Mr. Howe and favored by some insurance companies. It would permit banks to act, without licenses, as agents for insurance companies on policies up to

Insurance Executive Wins U. S. Chamber Seat



CHESTER O. FISCHER

Chester O. Fischer, vice-president of Massachusetts Mutual Life, and former president of the Springfield, Mass., Chamber of Commerce, was nominated a director of the United States Chamber of Commerce at the annual meeting in Washington Monday. Nomination is usually tantamount to election.

\$900 on any one person and prohibiting discrimination on premium or dividend rates between policies issued through banks and those through other channels.

In a subsequent session of the house, Mr. Howe attempted to have the rules suspended in order to gain immediate consideration of his measure, but Democratic leader, T. E. Clarie, threatened to force a roll call. He said the bill had certain "definitely objectionable features" and that he intended to prepare amendments. The motion to suspend the rules was lost by a narrow margin, 116 to 62, with 119 votes needed for the necessary two-thirds. The measure was tabled for calendar and printing.

It is not expected that the Howe bill would fare well in the senate banks committee, as the chairman, M. V. Blansfield, has called the measure a "breach of trust" to the insurance agents of the state, who were among the strongest opponents of the savings bank life insurance plan.

Ruling Complicates Disability Claims

May Bar Companies from Demanding Physical Examination of Claimant

NEW YORK—Increased complications in the handling of disability claims may result from a decision which has just been upheld by the appellate term of the New York supreme court in the case of Harry Newman against Metropolitan Life. If the decision is finally upheld on appeal disability claimants could refuse to be examined medically in connection with their claims, as disability clauses in general specify no right to a physical examination.

Newman Submitted to Medical

Newman sued to recover disability benefits on a policy issued by Metropolitan Life in 1931. Proofs of disability were filed, accompanied by an attending physician's statement dated July 15, 1939. Newman's disabling ailment was "arteriosclerosis and muscular rheumatism . . . pain both calves; pain, swelling of feet on walking." After the filing of these proofs the company requested and Newman submitted to a physical examination by a physician selected by the company.

Sought Second Examination

The company later denied liability and Newman sued. The company applied for an offer to show cause for another physical examination of the plaintiff, who then moved for a reargument of the company's application for a physical examination. This motion resulted in a denial of the application for a physical examination, since the presiding judge concluded that there was no power in the court to order a physical examination in this type of action. The application for a physical examination was resisted on the ground that in an action to recover disability benefits the insurer is not entitled to such an examination by statute, by the contract between the parties, or by the inherent power of the court under common law. Metropolitan has applied to the appellate division for leave to appeal and the issue is expected to be carried higher.

Alex Davis of Goldstein & Goldstein represented the plaintiff.

Tanner, Sillicocks & Friend represented Metropolitan.

Propose U. S. Defense Tax on Premiums of 1%

WASHINGTON—All branches of insurance would be taxed 1 percent of premiums on new business according to the defense financing plan submitted by the members of the joint congressional committee on taxation. It is estimated that this would raise about \$45,000,000.

The insurance premium tax proposal is only one of many schemes of the treasury department in its current drive to find new tax bases. The hearings have just started in Washington and apparently the bill is to be drafted as the hearings are in progress. Other than the fact that the treasury department wants a 1 percent tax on premiums for new business, details are lacking at this point. One interesting question is whether the tax would be on the assured with the insurer acting as collecting agency and passing along a surcharge or whether the insurance companies would merely increase their rates and not enter the tax as a separate item in their premium notices.

During the last war there was a 1 percent tax on premiums of fire and casualty companies and a tax of 8 cents per \$100 of face amount of new ordinary life insurance and 40 percent of the first week's premium on new industrial life policies.

In discussions a few weeks ago with insurance legislative representatives, experts of the treasury department were talking in terms of a 4 percent premium tax.

Life insurance men would prefer a premium tax to other types.

One point that is not clear in the proposals is whether the special tax would apply only to first year premiums on new business or to subsequent premiums as well on such business. None of the emergency tax proposals would modify the federal income tax provisions applying to life insurance.

To Name Utah Commissioner

SALT LAKE CITY—Governor Maw has issued a call for a special legislative session for May 19. The agenda provides for appointments under the governor's reorganization of the state government, including that of insurance commissioner. Who that official will be is impossible to tell. Even those close to the governor will not hazard a guess. Insurance men are solidly back of Commissioner Neslen, who is on leave of absence with the Utah national guard. Deputy C. N. Ottosen is in charge of department affairs.

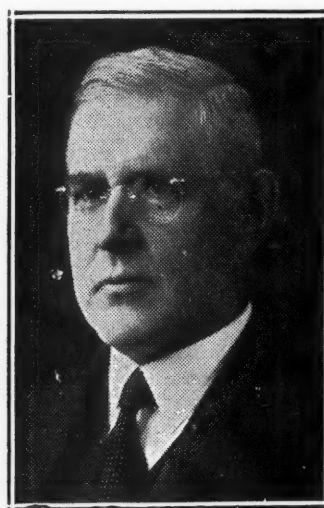
PROMINENT AT LIFE OFFICE MANAGEMENT ASSOCIATION MEETING



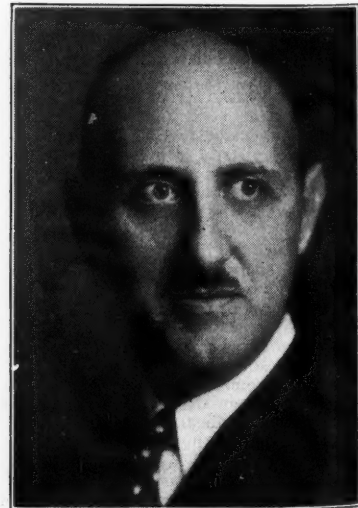
R. M. GREEN
Vice-president Prudential



F. D. RUSSELL
President Security Mutual Life



E. S. BRIGHAM
President National Life of Vermont



H. F. CHADEAYNE
Second Vice-president General American

Bill for Federal Guaranty Plan Is Ready for Hopper

Patman Bill Would Protect Individual Policy Reserve Up to \$5,000

WASHINGTON — Legislation providing for a federal guarantee of life insurance policies has been drafted by Representative Patman of Texas and will shortly be introduced, it was disclosed this week.

The bill proposes to create an "insurance reserve fund" of \$100,000,000 to guarantee the reserves of legal reserve life companies, through a loan of that amount from the Treasury which is to bear interest at the prevailing rate of interest for government obligations and would be repaid out of amounts collected through a semi-annual assessment on premiums collected by participating companies.

The fund would be administered by the Federal Deposit Insurance Corporation. The money is to be invested by the FDIC and part of it could be used for investment in high-grade industrial securities, including preferred and common stock, unlike other government funds, which can be invested only in government securities.

Participation in the program by insurers would be voluntary, and each participating company would pay a semi-annual assessment of .1 percent of total premiums collected. Any company would be permitted to withdraw at any time or, if the corporation found that the practices of a company were unsound, it could cancel its participation. The guaranteed status of a participating company would continue for a period of two years after withdrawal or expulsion, except where a company withdrew and provided for the reinsurance of all its risks in another guaranteed company.

FDIC Would Make Audits

The FDIC would be given authority to make examinations and require reports and to act as receiver. No attempt is to be made to amend the bankruptcy laws, it was pointed out by Mr. Patman, but rather a method of cooperation with the states in handling the receivership of guaranteed companies is proposed.

The bill proposes to guarantee the reserve behind the policies, including annuities, and supplementary contracts not involving life contingencies. The maximum amount of the reserve guaranteed is \$5,000, except under a group policy.

"Because of the numerous types of policies, methods of payment, and other variable factors, it was thought infeasible to base the amount of the guaranty upon face values," Patman asserted. "The only constant factor behind all policies being reserves, this factor is used to determine the amount guaranteed."

The guaranty would be made good upon the participating company's going into receivership under state law, Mr. Patman said. The FDIC then would determine, in cooperation with the receiver, the liability of the corporation as guarantor, and upon the presentation to the corporation by the receiver of a plan for the reorganization, reinsurance or liquidation of the company, which if approved by the FDIC, the corporation would, if such plan provided a method by which the amounts paid by the Government will be used to make good the terms of the guaranty, including the \$5,000 limitation, pay to the state receiver the amount of the guaranty.

Life Insurance Thrift Held Due Largely to Agents

The overwhelming majority of persons who when they die leave anything to pay their last debts and care for their dependents leave it as a result of the work of the life insurance agent, W. J. Graham, vice-president Equitable Society, declared in a talk on "Life Insurance for Economic and Social Progress," at the insurance conference of the United States Chamber of Commerce. He asked if, from the standpoint of thrift alone, it is not high time that emphasis be placed upon the promotion of thrift and understanding appreciation be given to those who promote it.

"Life insurance has marshaled an efficient self-sustaining army working for the economic and social progress of this country," he said. "This army defends and forwards thrift beyond the powers of any other institution and beyond the apparent comprehension of those who question the usefulness of the life insurance agent. But life insurance is more than thrift. It is more than a response to the thrift principle in the economic and social life of this nation.

Salutary and Unique Service

"Is it not reasonable to conclude that an intelligent review of any responsible body deliberately considering the subject, must on any day in the year, at any place and upon any occasion, attest to the wholly desirable purpose achieved by life insurance through its agents and through its 'salutary and unique' service? And may this conclusion properly proscribe the intelligent who do not deliberate, or the deliberators who are not intelligent, and the irresponsible, whoever they are,

and wherever they may be, who saith to the contrary."

He quoted Justice Murphy of the United States Supreme Court in an opinion rendered March 3 in *Helvering vs. Le Gierse*: "That life insurance is desirable from an economic and social standpoint as a device to shift and distribute risk of loss from premature death is unquestionable."

Justice Murphy in Commissioner vs. Keller stated in an opinion rendered the same day, "The economic workings of that institution produce, upon premature death, the sudden 'springing up' of a fund which rescues the insured's beneficiaries who are ordinarily within the family circle, from want. This result is both salutary and unique. The fund insofar as it springs up comprises not only the accumulated interest on premiums paid (as is more or less the case with non-exempt savings bank accounts) but also a multitude of painlessly infinitesimal contributions from others who have escaped premature death."

Claim Payment Main Function

The business of life insurance is the payment of claims, Mr. Graham said, and how well this business is functioning can be noted from the payment last year of more than \$2,500,000,000 to policyholders and beneficiaries. This sum is greater than the total wages paid in 1940 to every employee engaged in manufacturing in New York and Pennsylvania combined.

He pictured how life insurance is operated to promote the economic and social progress of the country. John Doe and his wife start life together at

(CONTINUED ON LAST PAGE)

Fraternal Felt to Have Assured Place in Life Insurance

Actuary Green Tells Chicago Club Societies Much Better Organized

Fraternal societies still are showing a general decrease of insurance in force, but this is mainly because they are in the last stages of the process of adjustment to adequate premium rate basis and still are suffering from the campaign



F. E. HUSTON

started years ago to put them on a sound foundation, Walter C. Green, consulting actuary, Chicago, and retiring president Chicago Actuarial Club, commented in a discussion of fraternal societies and their insurance held at the club's meeting this week. F. E. Huston, secretary-actuary American Life Convention, was elected club president.

Mr. Green said that although figures in the "Fraternal Compend-Digest" for the last four years show that out of 215 societies listed, only 89 had an increase of insurance in force for the last four years, while 126 showed decreases, and total life insurance in force fell off from \$6,217,000,000 in 1937 to \$5,907,000,000 at the end of 1940, this should not be taken to indicate that fraternalism is on the wane.

Terms Institution Sound Now

"Fraternal insurance at present is sound insurance," he said, "and fraternal are now providing insurance on an actuarial basis. They are, with very few exceptions, able to grant the benefits that they promise."

He noted that with few exceptions the fraternal on the "actuarial solvency" basis show at least 100 percent solvency. Of the 215 societies listed in the "Fraternal Compend-Digest" only five showed solvency under 100 percent and the average was around 110 percent. He said 33 showed 101-105 percent, 50 had 106-110 percent, 38 had 111-115 percent, 23 had 116-120 percent, 16 had 121-125 percent, 8 were 126-130 and 13 were over 130 percent. There were 24 that did not report or were not required to file an annual statement or valuation.

Mr. Green discussed the fraternal "actuarial solvency" test, saying in the past a fraternal was not legally

(CONTINUED ON PAGE 20)

A LITTLE BUSINESS

A printer, insured for \$2,000, was sold \$5,000 more, but only against his will. Twice he tried to lapse the insurance, but each time the underwriter dissuaded him.

The insured, tired of printing, started up a popcorn business. He lost out, went back to wages from printing. Then he dared again and started up a business in hot dogs and root beer. He began to prosper, bought a lot and put up his own building to have an outlet for the refreshments. Prospering still, he bought another lot, upon which he built once more and had additional space to rent out parking privileges, so that his root beer and hot dogs and parking lot were bringing him in an annual net of \$10,000.

There were four especially interesting points about this policyholder's experience. One is that only through the conscientious work of the underwriter was he prevented from lapsing and losing the protection. A second is that he was enabled to finance his business venture through borrowing on his life insurance. The third is that he was careful to repay the loan. And the fourth point is that while at first he had felt that being insured mostly meant paying premiums, he later found another viewpoint when the value of "life insurance in action" came to be demonstrated to him.

* * *

THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY
Chairman of the Board

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

Welcome New Commonwealth President



The ordinary sales meeting of the Commonwealth Life in Louisville followed a month's production drive in honor of its new president, Morton Boyd (left). F. W. Felkel, (center) Anderson, S. C., volume leader, and C. D. Haskins, Union City, Tenn., leading quota breaker, are presenting Mr. Boyd a tray of welcome production cards, each card representing an application.

Recruiting, Training Los Angeles Topics Lawrence Campaign Well Organized

LOS ANGELES—The Life Insurance Managers Association considered "Training and Supervision."

F. M. McMillan, Penn Mutual Life, discussed recruiting, showing by a chart the experience of his agency for five years in recruiting, the amount of business done by the men of each year and the salvage at the end of each year. It showed that only 30 percent of the men in the agency at the beginning of the period were still at work at its close.

W. L. Murrell, Mutual Benefit Life, took up the training angle. He said objective of training in his agency is to build up a program agency, where the men, because they are earning a good income, are happy. The course used requires 140 hours reading by each man, and he said success depends on the aptitude of the man, his knowledge, hard work and skill. He fixed four men as the maximum number one supervisor should handle and said he favors part-time supervisors.

Quick to Finance, Quick to Eliminate

He said his agency is quick to finance its men, but equally quick in eliminating the man who fails to measure up to the standards. He has found it hard to change the habits of the old men, those who have been in the business for some time. He looks for men who are salesmen, who are willing to pay the price for success, who have courage and character.

R. C. Johnson, New York Life, divided management into four phases: Induction of new agent, stimulation and supervision, elimination of unfit, and general administrative duties. His office considers the new agent a man who had been in the business less than two years. He held that group or individual methods of training and supervision depend on the types of agencies for their success. His agency's solution to the supervisory problem is a clinic, limited to not more than 12 men, held several times per week so that all might participate. These clinics are held in the manager's office and much of their success is due to participation by each of the men. They are encouraged to tell of their actual experiences in cases that day or the day before. He said that some very clever sales ideas were

The campaign for Howard C. Lawrence, Newark general agent for Lincoln National Life, for trustee of the National Association of Life Underwriters is now well organized. The announcement that Mr. Lawrence is a candidate was made at the recent mid-year meeting in Wichita.

The committee working for Mr. Lawrence's nomination and election is headed by John A. Ramsay, Connecticut Mutual Life, chairman; J. Bruce MacWhinney, John Hancock, and Fred A. Ditmars, vice-chairmen.

Many Groups Sponsoring

The sponsoring organizations are Life Underwriters Association of Northern New Jersey, Trenton association, Monmouth association, Atlantic City association, New Jersey State Association of Life Underwriters, Life Underwriters Association of the District of Columbia, Charlotte, N. C. association, Greensboro, N. C., and Norfolk, Va.

Mr. Lawrence entered the business with Travelers in 1918. He was appointed general agent for Lincoln National in 1922 and his agency has written more than \$50,000,000 of insurance. In 1937 and 1938 he was a member of the Million Dollar Round Table. He has been a national committeeman for seven years. He was the first president of the New Jersey state association and a member of the by-laws committee of the N. A. L. U. He is prominent in community activities in his home town of Montclair, N. J.

brought out by the men as they told of their experiences.

The association passed a resolution supporting the stand of the National Association of Life Underwriters on the matter of "pay one premium" in soliciting life insurance from selective service men. At the next meeting May 5, H. G. Kenagy, superintendent of agencies, Mutual Benefit Life, will speak.

Helen Marie Thomas, a leading woman agent of Equitable Society in Chicago, will be married May 1 to A. A. Wilbur of Chicago. The announcement was made at a luncheon tendered by Roland D. Hinkle, assistant manager Reno Agency Equitable Society, to members of his unit and their wives.

Mr. Wilbur, a close friend of Mr. Hinkle's for 20 years, was a special guest. Helen Thomas has been an outstanding producer since she entered the business with Equitable in 1929. She was the second woman in Illinois to qualify for the C.L.U. designation and has been active in the Chicago chapter and other underwriters' organizations. She will continue in the life insurance business to a limited extent. Mr. Wilbur is a real estate broker associated with Baird & Warner, being nationally known as a realtor and also for his extensive activity in vocational guidance of young college men.

Grant to Address Institute

W. T. Grant, president Business Men's Assurance, will speak on "Public Relations" at the final meeting in Omaha May 13 of the Nebraska Insurance Institute. Walter B. Lehmkuhl, secretary American Reserve Life, is president of the institute.

Phillips Minneapolis Agency Manager of Fidelity Mutual

Arthur N. Phillips, assistant manager of Metropolitan Life in St. Paul, has been appointed manager of Fidelity Mutual in Minneapolis, with office in the Northwestern Bank building.

He is a native of Brooklyn who, following graduation from the College of the City of New York, taught school in that city. Later for 10 years he was a sales representative of an eastern manufacturer, then 1929-1931 was in the investment business and a member of the Minneapolis Stock Exchange. Mr. Phillips withdrew to become an agent in Minneapolis of the Metropolitan. In 1932 he was transferred to Cedar Rapids as assistant manager for that company, and has held a similar post in St. Paul since 1933.

Diamond Life Bulletins increase sales. For details write 420 E. Fourth St., Cincinnati.

Life insurance as a true basic element of civilized society, is as fundamental as the recognition of man's responsibility to man.

The Great Southern is right proud of its calling. For thirty-two years it has served, with honor and distinction, its single purpose: To provide sound, permanent life insurance protection to those thousands who have entrusted to it their plans for financial independence.



GREAT SOUTHERN LIFE INSURANCE COMPANY

E. P. Greenwood, President

Home Office

Houston, Texas

Agency
Mutualt manager
Paul, has
fidelity Mu-
ce in thewho, fol-
College of
ht school
rs he was
a eastern
was in
member
Exchange
come an
fretropoli-
ferred to
nager for
a similarase sales
St., Cin.

SECURITY TAKES ON NEW MEANING FOR AMERICA



In this year, 1941, the moving force of the nation continues to be the desire for security—for business recovery and national defense, for security for the individual and security for this great country of ours. What we do here gravely concerns the world.

In consequence we see American industry today driving ahead to new high levels of production, calling into use our reserves of men and materials, under constant pressure to accelerate output. Already in many essential lines, capacity is being reached. And if the ceiling imposed by our available equipment is to be lifted, we must increase our capacity to produce. This means a mobilization of the country's financial resources for the creation of new plants and more machines.

To life insurance companies, as trustees of the funds of some 65 million men and women who through their policies are building financial independence, this situation offers both a responsibility and an opportunity. For there can be no security for policyholders unless the nation is secure; and the funds which the life insurance companies have to invest can make a direct and major contribution to this paramount security.

Life insurance investments follow the demand for capital funds. When railroads were expanding to unify our geography, their bonds were a principal life insurance investment. When public utilities were developing to bring the conveniences of modern living, life insurance made a major contribution of the needed capital. More recently the Government's demands have taken precedence and now with industry expanding not only directly to provide for national defense but also in every field indirectly affected by the demands of defense, life insurance funds will be a chief source of the capital needed. We, of The Equitable, are giving to the national defense program the fullest measure of support consistent with the obligation we have to our policyholders. The creation of security for the individual is the primary purpose of life insurance. By upholding this security, so essential to morale, we believe that, equally with any investments we may make, we will be strengthening America.

Thomas T. Parkman
PRESIDENT

THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES

A Mutual Company Incorporated Under the Laws of the State of New York

393 Seventh Avenue

New York, N. Y.

Cox Is Optimistic at Union Central's New Orleans Rally

Opening the Union Central's 75th anniversary year convention in New Orleans before 450 members of the company's \$250,000 and \$500,000 clubs, President W. H. Cox pointed out advantages present day agents have over agents when the company was founded. These include a better contract, helpful mechanical aids, and a more receptive prospect. Agents, with all these tremendous



W. H. COX

advantages, should not be timid and fearful of current bogeymen.

Talk that inflation will come through the exhaustion of the nation's credit leaves out a few hard facts. Mr. Cox doesn't foresee government's credit becoming exhausted or even seriously strained. Something like six billions of dollars are lying around in the banks of this country, excess reserves positively looking for responsible borrowers, he declared.

Expansion of Credit Function

In the last 10 years banking and credit functions of the national economy have been taken over to some degree by government. Private bank loans reached about 42 billions in 1928 and 1929, which, added to a federal debt of 17 billions, gave a total private and federal banking operation of 59 billions. In 1940, the federal banking operation passed 47 billions, but the total outstanding credits of private banks were only 22 billions, a total of 69 billions, which indicates that expansion of credit is not too far beyond the point reached by private credit.

In spite of increasing life insurance costs caused by downward revision of guaranteed interest rates, a dependable profit is made each year on low mortality and there is a steady income from the loading charges in the policy contracts.

"These two sources alone," Mr. Cox said, "could sustain us for some time even though our investments returned no profit whatever—which is an event impossible to imagine, because this country is always going to need credit, in volume that the vast reserves of the insurance companies are best prepared to supply." The general market price of high-grade bonds is definitely more reasonable than during the peak last December and a hopeful trend can be detected in the current expansion of private bank loans, "which should presage firmer interest rates."

Big Opportunity for Agent

In war, as in any other crisis, there is nothing for sensible men to do but plug along at the jobs they are called to do, and turn in the very best they have in them. In the period of recon-

struction after the war there should be far less distress and maladjustment than in 1920 and following.

With the Federal Reserve Board index standing at 140, American economy is running close to capacity. The current situation has in it all the makings of a first-class buyers' panic, but Mr. Cox stated he believed that effective ways will be found to control prices and keep them from running away, so that there will only be a moderate rise in the cost of living. Millions of Americans have more money than they've ever had before with a decreasing opportunity to spend it. Increased taxes will take some of the money and some will be put into government bonds, but enough will be left over to buy huge quantities of life insurance, and the people will spend it for that if the agents do their jobs. He urged agents to change their sales methods to fit changing times.

Progress the field can make in the coming year depends on its alertness to sales opportunities arising from the defense program, W. E. Barton, president, C. B. Knight agency, New York, declared. One of the principal ways to get a share of the buying power created by the program is to prospect in the lower income brackets instead of in the top. Large wage earners will have their sales resistance increased by further taxes, Mr. Barton said.

Life insurance must continue to give the people who earn the living of the country a property stake in the future, stated Superintendent Lloyd of Ohio.

Federal Court Rules U. S. Cannot Seize Cash Value

BOSTON — Federal Judge Sweeney ruled in the case of the government against the Massachusetts Mutual Life, that the federal government has no right to seize a life insurance policy and apply the cash surrender value toward payment of taxes owed by a policyholder. The government sought to take over the policy of Edward G. Robinson, Jr., of Oregon, written by the Massachusetts Mutual.

NATIONWIDE EFFORT MADE

The federal court's ruling at Boston represents a setback to the federal government in its widespread effort to attach life policy cash values to satisfy income taxes due from policyholders. In Chicago recently a suit was filed against an attorney to attach his policy values. To avoid bringing the issue to a decision, the attorney arranged to secure other funds to satisfy the government, so the question of the government's right to cash values probably will not be decided there in that case. However, in New York not long ago there was a decision in a similar case that, while it went against the government because the policyholder meanwhile had died and the policy proceeds had passed to the beneficiary and they were no longer a part of his estate, carried comment by the court that if the policyholder still had been alive when the premium was written, a different decision might have been expected.

Harrington's Code Bill Opposed

BOSTON—Calling attention to the fact that most of Massachusetts insurance laws were made long before casualty companies were thought of and therefore most of the legislation affecting casualty companies today is application of fire insurance company statutes, Commissioner Harrington urged the legislative insurance committee to consider favorably his bill for a revision and recodification of insurance laws. He asked for a special recodification commission.

John W. Downs, counsel for insurance companies; former Commissioner Wesley E. Monk, now with the Massachusetts Mutual; Claude L. Allen of the National Board, and President W. R. Hedge of the Boston and Old Colony, opposed the bill.



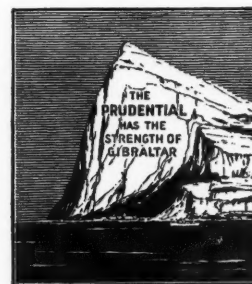
Just Two Old Friends

But there the similarity between these elderly gentlemen ends.

One of them is utterly dependent upon his children, who respond as a matter of duty, although sometimes it means doing without things they themselves need.

The other has grown old gracefully. He pays his own way, because he has his own income and is beholden to no man.

Life insurance was available to both these men years ago but only one used it to build a competency for his old age. His insurance agent insisted upon it.



The Prudential
Insurance Company of America

Home Office, NEWARK, N. J.

Card for Southern Ad Conference Set

Program for the southern round table of the Life Advertisers Association at the Baker Hotel, Dallas, May 15-16 has been announced by J. Bruce Trotter, Pan-American Life, chairman.

In connection with the display of promotion pieces, R. W. Archer, Southwestern Life, exhibits chairman, will



J. BRUCE TROTTER

present certificates of award and a grand trophy.

The program will include these features:

C. S. Davis, president reporting on activities; Stanley Campbell, vice-president Dallas Advertising League, advertising as a necessity to democracy; L. F. Lee, president Occidental of North Carolina, work of the Institute of Life Insurance; Harold Colbert, "Life Insurance Selling," and Peter Larsen, "Insurance Field," debate on the function of insurance journals; "Ten Ways to Get Rid of a Life Insurance Salesman," a play written by L. A. Jacobs, Southland Life; C. S. Smith, National Life & Accident; T. S. M. Bloodworth, Shenandoah Life, and Burke Baker, president Seaboard Life, public relations; H. M. Faser, agency superintendent, Lamar Life, field man's viewpoint on advertising.

Outside advertising men who will talk are: C. C. Haven, prize contests for sales promotion, and R. N. Barrett, typography and design. Lawrence Melton and R. P. Locke, Dallas advertising men, and Secretary Alfonso Johnson, of the Dallas Insurance Agents Association, will judge the sales promotion and advertising competitive exhibit.

At a luncheon for attending company presidents, Rogers Kelley, Texas state senator, will make a patriotic speech, "Let Freedom Ring."

Preceding the banquet, with C. C. Fleming as toastmaster, a cocktail party will be given by E. P. Greenwood, president, and William Sexton, agency secretary, Great Southern Life.

A Morgan Duke, president of Southland Life, will be host at an old-fashioned Texas barbecue at his ranch. John L. Briggs, vice-president Southland Life, will be in personal direction of the barbecue.

L. A. Jacobs has been experimenting with a number of unusual mailing pieces to promote attendance.

New Guardian of Dallas Officers

DALLAS—Troy V. Post has been elected president and C. W. Windham secretary-treasurer of the Guardian Life of Dallas in which they have acquired the controlling interest.

Mr. Post, who has resigned as president of the Pioneer American Life of Houston, succeeds H. F. Koch, who continues as board chairman and direc-

tor of Guardian Life. Mr. Windham succeeds D. W. Henke, who continues as a director but will put most of his time on his own business.

Mr. Post built Pioneer American Life from a small assessment concern at Haskell, Tex., to a full legal reserve company located at Dallas and moved to Houston in 1938. Mr. Windham, who was formerly associated with Mr. Post in the Pioneer American Life, returns to life insurance after a short time as personnel officer of the city of Dallas.

The Guardian Life has capital and surplus of \$116,000 and more than \$2,000,000 insurance in force.

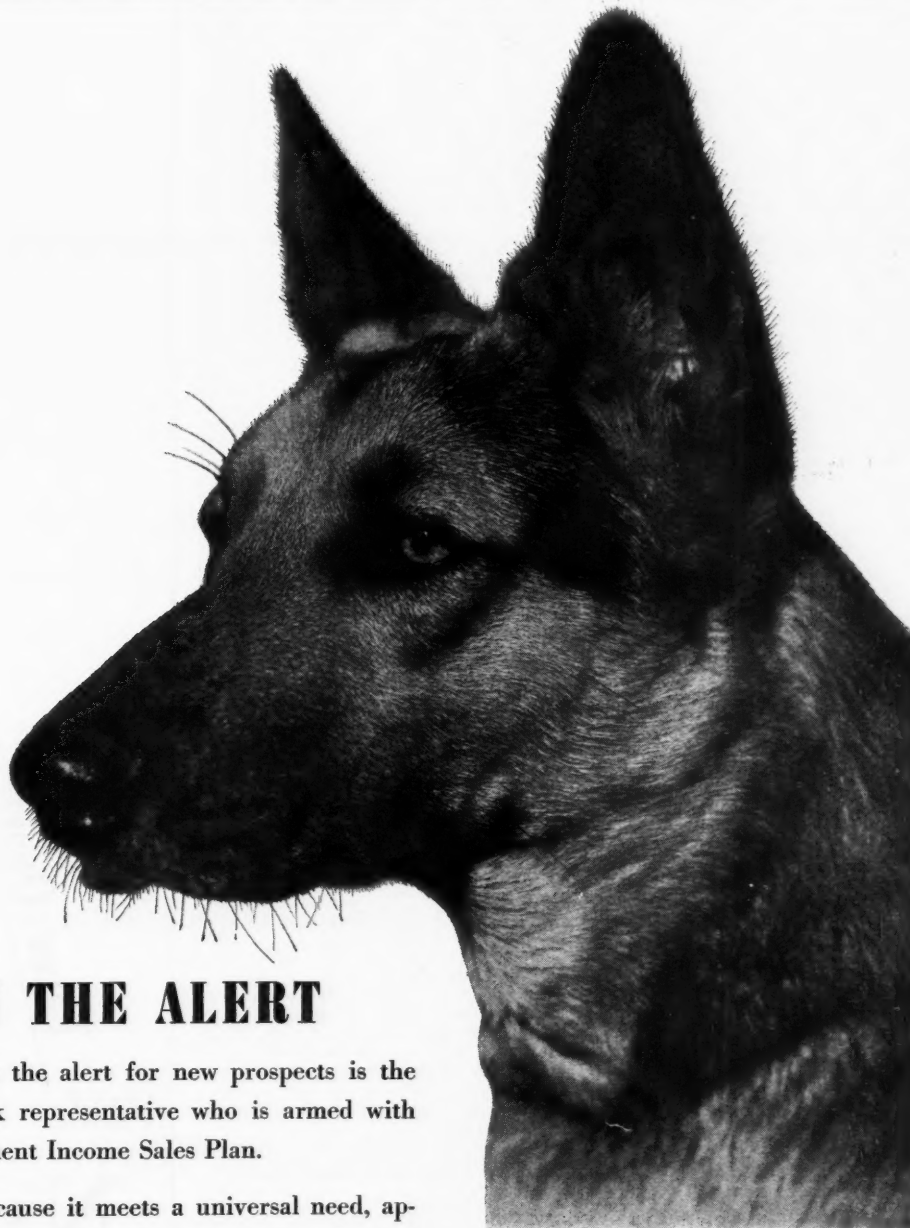
R. P. Stearns, traveling inspector, and John Moyler, Jr., assistant supervisor of districts, Life of Virginia, were guests at the annual banquet of the Toledo, O., office.

Big Majority of Equitable Society Agents Sign New Form of Contract

The new compensation-retirement plan for agents announced to the general agents and agency managers of Equitable Society at the annual managerial meeting in New York March 25, which was relayed to the 6,000 agents through regional meetings called by the managers immediately upon returning to their homes, has been received with enthusiastic acclaim by the field force, Equitable announces. Within two weeks after the announcement of the plan, a large majority of the agents had signed the new form of contract, and by 100 percent of the organization in many agencies. Hundreds of letters and telegrams were received at the home office

expressing appreciation of the field representatives, both old and new, of the new compensation-retirement arrangement.

Mrs. Paul W. Cook of Evanston, Ill., wife of the well known general agent of Mutual Benefit Life in Chicago, has been appointed by Mayor Ingraham as a member of the Evanston Public Library Board. Her name was presented to the city council Monday evening and was unanimously confirmed. Mrs. Cook is prominent in amateur dramatics on the Chicago North Shore. She has served as president of the Parents & Teachers Association of Haven school in Evanston and she is one of the best women golfers at Westmoreland Country Club and one of the best women bowlers at the Shawnee club in Wilmette, Ill.



ON THE ALERT

Constantly on the alert for new prospects is the John Hancock representative who is armed with the Readjustment Income Sales Plan.

This Plan, because it meets a universal need, appeals to family men with both large and small incomes. And our national advertising dramatically backs up the agent's story.



Life Business in Ohio During 1940

Life companies wrote \$445,541,072 of ordinary business in Ohio in 1940, and now have \$5,004,195,826 in force in the state, according to figures from the Ohio insurance department. With \$259,145,416 of industrial business written last year, life companies now have \$1,476,569,547 of industrial in force in Ohio. Group business written was \$310,622,326, bringing in force to \$1,169,760,750. Total on all classes for the year was \$1,015,308,814 written and \$7,650,526,133 in force. Following are the figures:

ORDINARY		Ins. Written	Ins. in Force
Acacia Mut.	3,892,311	51,443,693	
Aetna Life	9,128,312	92,430,851	
Alliance Life	103,500	1,611,024	
All States	1,540,638	2,995,692	
Am. Citizens	107,750	1,265,041	
Amer. United	3,129,823	16,621,788	
Amer. L. & A.	67,950	725,454	
Atlanta Life	165,856	46,625,147	
Bankers Life, Ia.	3,138,668	1,356,232	
Bankers Natl.	146,763	3,713,703	
Bankers Life, Neb.	426,548	13,145,757	
Berkshire	618,703	4,574,631	
Bus. Men's Assur.	702,500	41,446,253	
Canada Life	2,041,920	1,010,321	
Central Assur.	180,527	11,798,694	
Central, Ia.	1,297,455	4,638,210	
Central, Ill.	220,265	84,001,136	
Columbus Mut.	5,485,156	3,111,367	
Columbian Natl.	810,239	8,715,127	
Commonwealth Life ..	1,842,387	61,740,980	
Conn. Genl.	4,910,412	74,357,454	
Conn. Mut.	7,441,618	9,688,633	
Conservative Life	1,982,219	21,988,661	
Continental Assur.	2,197,359	1,048,895	
Continental Am.	222,671	214,482	
Credit	427,225	1,353,366	
Crown Life	1,110,304	741,541	
Domestic L. & A.	223,500	205,558,823	
Equit. Society	14,455,735	74,835,338	
Equit. Life, Ia.	4,159,420	16,874,622	
Equit. Life, D. C.	3,672,735	1,694,062	
Eureka-Md. Assur.	224,761	1,818,436	
Express Mut.	202,060	14,743,492	
Farm Bur. Life	4,035,626	8,369,039	
Farm. & Traders	761,012	1,231,382	
Federal Life	45,238	113,500	
Federal L. & C.	1,402,192	16,589,952	
Fidelity Mut.	516,144	4,627,781	
Franklin Life	275,356	13,587,195	
General Amer.	526,412	3,003,249	
Girard Life	142,458	6,237,652	
Great Lakes Life	504,203	3,970,263	
Great Northn.	585,977	4,497,364	
Guarantee Mut.	1,729,025	20,171,623	
Guardian Life	664,994	18,468,810	
Home Life	940,156	3,635,455	
Ill. Bankers	1,291,088	9,896,558	
Indianap. Life	138,250	1,788,000	
Ky. Cent. L. & A.	156,891	2,157,766	
Jefferson Stand.	19,284,078	158,187,649	
John Hanck. Mut.	1,064,717	6,456,592	
Kans. City Life	337,637	3,203,607	
Kentucky Home	540,163	2,372,250	
Lafayette Life	2,878,366	12,767,836	
Life Ins. Co., Va.	9,886,441	82,811,102	
Lincoln Natl.	201,578	488,286	
Loyal Prot.	1,686,326	12,603,888	
Luth. Mut. Life	633,953	1,547,664	
Manhattan Life	11,910,196	145,692,202	
Mass. Mut.	100,422	1,635,354	
Mass. Protective	50,338,937	639,234,334	
Metropolitan	754,961	5,550,772	
Mfrs. Life	75,275	800,051	
Michigan Life	6,045,362	88,287,500	
Midland Mut.	964,552	4,762,657	
Minnesota Mut.	78,500	1,132,084	
Monarch Life	6,520,750	20,183,642	
Monumental	4,512,910	4,490,469	
Morris Plan	13,216,395	193,210,169	
Mutual Benefit	1,843,927	9,974,037	
Mutual Trust	10,653,129	180,780,804	
National Life	4,203,159	62,103,402	
Natl. Guardian	305,796	788,191	
Natl. L. & A.	6,873,347	21,593,879	
Natl. Masonic Prv.	25,603	393,233	
New Eng. Mut.	6,578,706	88,421,755	
New York Life	16,139,722	309,310,624	
North Amer.	885,920	10,547,527	
North Amer. Re.	990,500	7,878,000	
Northwestn. Mut.	15,825,824	295,440,368	
Northwestn. Natl.	1,934,009	17,809,883	
Ocal. Cal.	1,422,684	7,603,862	
Ohio Natl.	3,428,391	55,718,677	
Ohio State	5,550,212	58,232,351	
Old Line Life	120,964	2,236,815	
Old Rep. Credit	1,194,290	783,074	
Pacific Mut.	3,711,288	44,615,333	
Pan-American	92,377	1,501,598	
Paul Revere Life	184,441	803,582	
Penn Mutual	7,056,968	92,729,491	
Peoples Life	1,105,633	5,013,492	
Phila. Life	5,000	1,040,359	
Phoenix Mut.	2,337,914	31,262,073	
Provident L. & A.	201,168	1,191,375	
Provident Mut.	4,617,650	59,557,618	
Prudential	68,353,228	590,530,211	
Reliance Life	4,510,586	40,102,759	
Security Mut.	458,680	3,674,087	
Shenandoah	318,721	2,442,905	
State Life	637,524	9,419,888	
State Mut.	4,245,022	59,550,843	
Sun Life, Am.	975,198	4,271,192	
Sun Life, Can.	5,824,286	90,985,601	
Supreme Lib.	657,292	2,095,892	
Travelers	10,425,930	146,272,065	
Union Central	11,051,917	135,063,058	
Union Labor	48,512	212,264	

	Ins. Written	Ins. in Force
Union Mutual	351,237	2,100,071
United Benefit	1,723,543	5,740,605
United Ins.	58,000	253,050
United L. & A.	18,500	1,177,657
Victory Mut.	181,850	350,147
Wash. Natl.	709,958	2,712,630
West. & South.	20,708,194	158,430,886
Woodmen Cent.	588,640	1,307,439

GROUP		Ins. Written	Ins. in Force
Aetna Life	59,622,972	226,545,751	
Am. Citizens	192,761	129,264	
Canada Life	185,169	896,597	
Columbn. Natl.	76,375	78,760	
Conn. Genl.	3,224,765	10,338,208	
Contintl. Assur.	2,488,865	5,974,960	
Credit Life	4,729,832	3,104,845	
Crown Life	80,881	80,881	
Equit. Society	46,520,362	218,129,410	
Eureka-Md. Assur.	634,151	1,950,483	
Farm Bureau	159,288	1,227,030	
Genl. American	1,930,735	7,332,662	
John Hanck. Mut.	8,771,133	26,478,492	
Ky. Home	500,500	2,318,576	
Life Ins. Co., Va.	132,000	380,300	
Lincoln Natl.	76,895	661,928	
Metropolitan	93,195,788	314,414,152	
Minnesota Mut.	54,715	45,292	
Natl. L. & A.	494,504	1,053,447	
Northwest. Natl.	160,900	1,007,000	
Ohio Natl.	13,500	287,500	
Ohio State	49,780	654,070	
Peoples Life	138,000	352,500	
Provident L. & A.	732,500	3,655,500	
Prudential	52,962,371	163,323,990	
Sun Life, Can.	6,297,901	19,671,229	
Supreme Lib.	6,000	46,000	
Travelers	28,746,429	153,116,911	
Union Labor	122,250	2,541,750	
Wash. Natl.	467,453	507,187	
West. & Southn.	722,021	3,456,085	

INDUSTRIAL		Ins. Written	Ins. in Force
All States	2,436,928	1,995,736	
Amer. Citizens	213,974	213,237	
Amer. L. & A.	11,443,307	13,060,841	
Atlanta Life	1,660,536	2,296,667	
Central, Ill.	3,266,742	5,078,608	
Commonwealth	1,138,997	3,238,970	
Domestic L. & A.	2,681,491	4,005,238	
Equit. D. C.	7,991,498	23,384,673	
Federal Life	400	498	
Guardian	10,578,497	66,269,183	
Ky. Cent. L. & A.	3,512,167	5,544,498	
Life Ins. Co., Va.	9,540,632	28,662,582	
Mammoth L. & A.	1,659,083	1,455,036	
Metropolitan	36,741,249	395,143,522	
Monumental	11,122,626	48,871,072	
Natl. L. & A.	13,815,297	44,727,920	
Ohio Natl.	350	67,963	
Prudential	51,247,585	493,825,314	
Sun Life, Md.	2,684,589	9,375,015	
Superior H. & A.	1,780,690	1,427,773	
Supreme Lib.	24,474,330	13,431,259	
United Ins.	1,525,994	1,420,916	
Wash. Natl.	2,682,425	5,563,829	
West. & South.	56,946,379	307,505,555	

Clarify Wis. Election Process

MADISON, WIS.—Domestic mutual life companies are required to file notice of appointments of inspectors for nomination and election of candidates for directors at least 60 days prior to the election date, according to an opinion rendered by Attorney-general Martin to Commissioner Duell. The question was raised when a Wisconsin company filed the required information 57 days prior to the date of the annual election. The attorney-general's ruling was to the effect that such an election was invalid.

He pointed out that the statutes specify that the directors or trustees of a domestic life company must file with the department a list of every office to be filled at the ensuing election, giving the name, address and occupation of all inspectors and nominees. The filing is to be made within 90 but not less than 60 days prior to such election, the ruling declared.

Murphy Sees 40 Years Service

W. K. Murphy, Los Angeles general agent Northwestern Mutual Life, celebrated his 40th anniversary with the company May 1. He signed his first contract while a sophomore in the University of Wisconsin.

His father, D. E. Murphy, was home office general agent of Northwestern Mutual from 1878 to his death in 1906. Mr. Murphy succeeded him in that agency, continuing until 1916, when he was made Los Angeles general agent. His quarter-century of service there was fittingly celebrated by the agency force. His sons, W. K. Murphy, Jr., also entered the service of the Northwestern Mutual, but continuity of service has been broken temporarily by the younger Murphy's becoming a cadet in the army air service.

Three-Quarters Over

of a Billion Dollars

of Life Insurance in Force!

Gain in 1940 Approximately \$65,000,000

The NATIONAL LIFE AND ACCIDENT Insurance Company, Inc.

C. A. CRAIG, Chairman of the Board C. R. CLEMENTS, President

HOME OFFICE NASHVILLE TENNESSEE

Pick Beatrice Jones for N. Y. President

NEW YORK—Miss Beatrice Jones, agent in the A. V. Ott agency of Equitable Society, has been nominated for president of the New York City Life Underwriters Association, which is now the largest in the world.

Miss Jones, who is now educational vice-president, is the first woman ever to hold office in the New York association. Pioneering is nothing new to her, however, for her parents were among the first settlers of the Cherokee Strip, staking out their homestead on what is now the city of Enid, Okla. She came to New York from Oklahoma in 1920 and studied for two years at Columbia University. She was in charge of selection and management of women personnel at Standard Oil of New Jersey's main office in New York City 1922-1928, when she became an Equitable agent. From 1932 to 1940 she managed a women's unit. Miss Jones received the C. L. U. designation in 1934 and is one of the very few women in New York holding the degree.

Active in Association Work

In great demand as speaker, Miss Jones has addressed insurance and lay audiences from coast to coast. She recently addressed the Life Advertisers Association eastern round table. She is a director of the local and national C. L. U. In 1939 she was a member of the general program committee of the National Association of Life Underwriters and chairman of the women's program committee. Last year she was chairman of the N. A. L. U. women underwriters group. Miss Jones is the wife of J. B. Deacon, treasurer of the Schenley Distilling Company.

Other nominees are: Administrative vice-president, Lester Einstein, general agent Mutual Benefit Life (renominated); public relations vice-president, H. R. Dowell, New England Mutual; educational vice-president, J. E. Bragg, manager Guardian Life of New York; treasurer, K. A. Luther, general agent Aetna Life; directors, H. J. Hannigan, Northwestern Mutual; Samuel Roth, Metropolitan Life; S. S. Wolfson, general agent Berkshire Life; J. F. Speer, Equitable Society; Joseph Pellicane, Massachusetts Mutual; Osborne Bethea, general agent Penn Mutual, and G. P. Shoemaker, general agent Provident Mutual. The election will be June 12.

Parsons Agency in Chicago Moves to New Quarters

The Bruce Parsons general agency of Mutual Benefit Life in Chicago will move into the entire 41st floor in the tower of One North LaSalle building. The new quarters are patterned after those of fine law offices, all members having individual offices, opening out from a central foyer or library. The offices vary in size, each holding from one to three men. Floors will be carpeted throughout, all windows will have the reception room, library and Mr. Parsons office will be paneled in walnut.

The branch office, in charge of Edward C. and Ervin D. Hintzpeter at 208 South LaSalle street, will continue at that address.

The Parsons agency has had notable growth since organization in 1937. In its first fiscal year it paid for \$3,375,000, and closed the fourth year with \$7,250,000, exclusive of annuities. In 1940 it led the United States in Mutual Benefit in volume of business and lives insured. Mr. Parsons was awarded the company's plaque for doing the best all-around job among agencies writing \$5,000,000 or more a year.

There are 30 full-time agents under contract, 23 being college or business school trained, and they average more than 10 years' life insurance experience. In 1940 the top 25 men each averaged \$186,000 volume. The average policy in

the agency, exclusive of annuities and single premium, is in excess of \$6,000.

Zimmerman No. 1 at March 31

The Charles J. Zimmerman agency, Chicago, led the Connecticut Mutual Life at the end of the first quarter on total volume of business. On life insurance only, the agency was second. This is the first time the Zimmerman agency has led all agencies, although for nearly three years it has been consistently among the first three.

"Assuming that the underwriter has the basic qualities for success, such as honesty, intelligence, etc.,—then the thing which spells success and which marks the difference between those who really go places in this business and those who never get beyond mediocrity, is the ability to sustain effort and activity—to make work on the firing line automatic—and that is attained only through forcing themselves to acquire habits of work and activity. In other words, if you wish to make a record in the field, then you must become a habitual worker in the field."—C. O. Fischer.

Diamond Life Bulletins increase sales. For details write 420 E. Fourth St., Cincinnati.

Md. Gov. to Sign Counsellors Bill

Governor O'Connor of Maryland and Commissioner Gontrum were guests of honor at the monthly meeting of the Baltimore Life Underwriters' Association.

Speaking of the counsellors bill, in which the association was vitally interested, Governor O'Connor said that in any business "some unscrupulous people have a willingness or desire to wrest control or to make headway faster than their abilities would allow or cut corners or resort to practices of other kinds that not only give to the public a feeling of doubt and uncertainty about the profession but they affect adversely men and women who are honestly and conscientiously striving to do their very best in the profession both regarding the public as well as their own immediate companies. I say that no credit is due the public official for cooperating to stop that sort of thing. On the other hand, our obligation to you is such that we would be derelict in our duty were we not to meet halfway a group such as yours in order to stamp out such practices. We are protecting the public from unscrupulous

people and in giving guarantee to the public that in dealing with representative members of such a profession they can expect fair treatment and square play."

Governor O'Connor announced that he would sign the bill for licensing of insurance counsellors.

Mr. Gontrum spoke of the legislative program which had been carried through to such a successful conclusion, stating that all the bills which had been sponsored by or had the backing of the department had been passed.

Mr. Gontrum declared that the legislature has passed legislation which will put the so-called insurance counsellors under the jurisdiction of the commissioner. "This should arrest some of the destructive and vicious criticism which has characterized the activity of some of these gentlemen in the past," he said. "It certainly will eliminate this very outrageous attack on insurance which has characterized the activity of some of these men in other states. We will put the insurance counsellors business on a plane that will absolutely prevent any such activities as we have witnessed in other states."

But, Mr. Gontrum said, he will welcome all constructive criticism.

James P. Graham, Jr., chairman of the law and legislation committee, made

THE FAMILY ADVISOR

The life insurance agent has been the advisor of widows and orphaned children. He has helped them conserve the assets left by an insured husband and father. He has guided them in planning their own financial futures. Thus he has encouraged the development of those ideals of American living which so clearly distinguish us as a nation—love of education, freedom of enterprise, security.

Massachusetts Mutual
LIFE INSURANCE COMPANY
Springfield, Massachusetts
Bertrand J. Perry, President

1851



OUR NINETIETH YEAR



1941

a final report. He explained that the bill which contemplated a 2 percent tax on annuity premiums was modified to the extent that the tax will be 1 percent. The bill for savings bank life insurance was not approved.

Jersey Decision Is Found Not Final

TRENTON, N. J.—Use of the declaratory judgment act was denied the Provident Mutual Life by the New Jersey court of errors and appeals in the company's action against H. J. Hoffman, unemployment compensation commission director, to have its agents and general agents on commission held to be independent contractors and not subject to social security tax. Decision of Judge Oliphant of circuit court that the procedure of certiorari was available and therefore the declaratory judgment process could not be used was confirmed, as was his ruling that review of the unemployment compensation law might be had by certiorari and the declaratory judgment process could not be invoked as an "alternative remedy."

Effect of Ruling Misunderstood

The high court decision at first was taken by insurance men to mean the company had lost out and its agents were held to be employees subject to the social security law. However, this was not the case. The company is said still to have access to the remedy provided by law.

Provident Mutual had sought to have the director restrained from compelling it to report commissions paid to its agents, contending that they were not employees, but individual contractors. The decision does not pass upon the question whether agents are or are not employees, nor uphold the UCC director's contentions that they are employees under the unemployment compensation law.

The commission had determined that the agents were employees and the company was notified that unless the commissions paid to them were reported by April 1, 1940, the commission would proceed with arbitrary assessment and legal action to collect. This action was instituted March 29, 1940. The company argued that the law did not apply to the agents and general agents, but if it did, the law was unconstitutional since they were independent contractors. A general agent and eight agents were made parties defendant, and the attorney general also was made a party.

The latter moved to strike the company's cause as not a justiciable controversy, and claiming the company had other and adequate remedy and any judgment that would be rendered would not terminate the uncertainty or controversy. The commission and director denied that the court had jurisdiction and moved for dismissal on the grounds that the cause of action for declaratory judgment did not lie as to them without consent of the state.

The appellate court held the state was the real party in interest through its "alter-ego," the unemployment compensation commission, as the amount the state was entitled to collect from the plaintiff was directly involved and the judgment sought would operate to control the action of the state with respect to collection of the tax. Previous decisions were cited to the effect that where the process of certiorari was available the declaratory judgment could not be used as an alternative remedy. The motion to strike and dismiss the complaint of Provident Mutual was granted.

The company now will seek clarification of its agents' status through the usual means of resisting demands for payment of the unemployment compensation tax and letting the commission bring court action. The final outcome will affect virtually every ordinary company operating in the state.

CALLED TO SERVICE

The Allen & Schmidt agency of New England Mutual Life in New York has lost three of its agents to the army and navy. Lieut. Hal Marley, a graduate of Columbia University who went with the agency after completing school in 1939, is stationed at Camp Devens, Mass. Jack Garnaous and David Robinson, both ensigns in the naval reserve, are in active service. Mr. Garnaous, a graduate of Yale in 1939, is serving on the U. S. S. Pollux, and Mr. Robinson, a graduate of Rutgers in 1938, on the U. S. S. Augusta.

Lieut. R. S. Begien, Dallas, southwestern manager of Alfred M. Best Company, will report next week at Fort Knox, Ky., for the completion of his training. He has been in the army since February and at the end of his training period is to report to Camp Polk, La.

Charles W. Frey, assistant editor of "The Pelican," Mutual Benefit Life's house organ, is now at Cornell University in charge of the United States naval reserve Diesel engineering school. He has command of a detail of 47 ensigns who are studying the operation and maintenance of Diesel engines. Mr. Frey, an ensign, was graduated from the United States naval academy several years ago.

Among the representatives of National Life & Accident who are in the service are: C. H. Markolf, who was superintendent of Houston No. 4 district, and is now at Fort Sam Houston; H. S. Saleeby, superintendent of San Diego district, who is in the naval reserve; Sidney E. Andrews, Cashier at Rome, Ga., who is at Fort Benning, Ga., and S. G. Brading, supervisor of northwestern territory, who is at Fort Jackson, S. C.

A number of home office employees of Mutual Benefit Life have been called to the colors. Norman Schofield, mathematical valuation department, is stationed at Fort Benning, Ga.; Donald Hayes, former editor of the home office publication, is also at the same camp. William Draper of the renewal department has enrolled in the naval reserve training school, Noroton Heights, Conn.

W. W. Raymond, life agent of Trav-

elers, Oak Park, Ill., has volunteered for army service. Mr. Raymond is a son of A. M. Raymond, retired manager of Travelers Fire, Chicago.

Pan-American Appoints Managers

D. J. Shanahan has been appointed manager at St. Petersburg, Fla., for Pan-American Life and Angus Williams has been made Tampa manager. Mr. Shanahan entered the business in 1937 as a personal producer and has been associated with Pan-American Life for the past six months. Mr. Williams has had 20 years' experience in life insurance.

Plan Hartford Clinics May 9

The Hartford Association of Life Underwriters and the Hartford Managers & General Agents Association each are sponsoring a half-day clinic to be held at the Connecticut General Life auditorium May 9. The program for each of the clinics will be directed by the Life Insurance Sales Research Bureau.

Theme of the underwriters clinic in the afternoon will be "Adjusting Yourself to the Present Day Market." Franklin Pierce, Connecticut Mutual Life, president of the association, will be

chairman of the session. Speakers will be J. M. Holcombe, Jr., B. N. Woodson, Lewis W. S. Chapman, and Ward Phelps of the Research Bureau.

To the management clinic in the morning all Connecticut managers and general agents are invited. F. O. H. Williams, manager for Connecticut General Life in Hartford and president of the managers and general agents group, will serve as chairman.

Industrial Insurers Joint Results

Statistics compiled by the central office of the Industrial Insurers Conference show that the member companies, as of Dec. 31, 1940, had 14,638,718 policyholders, with insurance in force of \$2,900,659,899 as compared with 13,640,610 policyholders and \$2,501,128,641 in force the previous year.

Premiums for 1940 were \$115,202,809 as compared with \$98,723,677 in 1939. Assets amounted to \$380,010,675 as compared with \$333,959,372.

An average of almost 3,000 death claims are paid in the United States every day by life insurance companies, of which more than 180 each day are on the lives of persons whose policies were in force less than a year.



INCOME REPLACEMENT

A NEW POLICY DESIGNED TO COVER
A SPECIFIC NEED

Death can take a breadwinner
off the payroll—

but an Income Replacement
policy will put his family on!

FOR FURTHER INFORMATION WRITE TO
V. H. JENKINS, Vice President

OCCIDENTAL LIFE

INSURANCE COMPANY OF CALIFORNIA
LOS ANGELES



LESTER A. ROSEN

Lester A. Rosen of the Knight agency of Union Central Life, New York, has been drafted and is in active duty at Camp Upton, Yaphank, L. I., N. Y. He went with the Knight agency in 1933 after graduating from the Wharton School of the University of Pennsylvania. He is a member of the million dollar round table and was the youngest man ever to qualify.

May 2, 1941

Prudential Director Sees Much Value in TNEC Report

NEW YORK—"Develop still further your sensitiveness to your responsibilities as executives of the company," was President Franklin D'Olier's parting message to the Prudential's managers, superintendents and other home office and field officials at the banquet which concluded the three-day business conference held here and in Newark. He said that the rapidity with which events are changing make this sensitiveness to responsibilities particularly essential just now.

"Events are moving rapidly in this country as a result of what is going on in Europe," he said. "We can see that the Prudential remains the great stabilizing force in this country that it has been for so many years. We have determined that our greatest patriotic duty—until otherwise called—will be to do our Prudential job better than we have ever done it before."

Reasons for Greatness

Colonel D'Olier reiterated his statement, made earlier during the convention, that the reason Prudential has become great is that it paid great attention to the apparently unimportant details; that it has never lost sight of the importance of the individual and that it has always valued the maintenance of personal contact. He pointed out that the thousands of friendly acts of service are not the impersonal actions of a great institution but are "performed by Agent Jack Jones for Mr. Smith or Mrs. Smith."

R. E. Tomlinson, president National Biscuit Company and a Prudential director, said that while investigations of business like those of the TNEC meet the requirements for a good show in that they cost a lot of money, contain plenty of salty talk, and give the voters pleasure at seeing prominent men squirm, the SEC study of insurance is in the main an important document, even a great document. It comprises a history of life insurance of incalculable value and various aspects will be examined minutely by officers of Prudential.

Experts Have Quirks

Mr. Tomlinson observed that while experts of great knowledge and skill participated in the inquiry, they, too, have their idiosyncrasies. The O'Mahoney committee did not follow all the SEC's recommendations and the committee itself was far from unanimous in its vote. Federal regulation of life companies was not included in the final TNEC report but it was recommended that the work of state supervision be strengthened.

Mr. Tomlinson said that he had three impressions as a result of the investigation; relief that it was over and that the TNEC is finished; satisfaction that Prudential took a creditable part in it and, third, the high value of the completed report. He saw nothing whatever to worry about in the investigation.

Williams in Portland

J. P. Williams of Philadelphia, educational director of the American College, addressed the Portland, Ore., C.L.U. chapter, discussing the aims, growth and development and some of the problems of the college. It is estimated that 1,000 candidates will present themselves for the examinations in June. About 20 from Portland will take one or more of the June examinations. Stuart Strong, study group leader and instructor, who attended a regional conference in Salt Lake City, reported briefly on matters discussed at that meeting.

Military Service & Life Insurance answers all your questions. 50c, National Underwriter.

Returns to N. Y.



JOHN F. WALSH

John F. Walsh, assistant superintendent of agencies of Home Life of New York, who has made his headquarters in Chicago for 3½ years, has returned to the home office. He will assume additional duties in the agency department and at the same time continues supervision of the mid-west territory.

Mr. Walsh went to Chicago, Jan. 1, 1938, to give more direct supervision to the Home Life agencies in the middle west. Since that time agencies under his supervision have increased their paid-for production more than 28 percent. The agency organization in that territory also has been strengthened.

Mr. Walsh joined Home Life in 1930 and was appointed assistant superintendent of agencies in 1936.

Full Card at Ohio Meeting in Akron

Preparations have now been completed for the annual convention of the Ohio Association of Life Underwriters in Akron May 8-10. Charles E. Ransower, manager Metropolitan Life, is general chairman.

The trustees will go into session the morning of May 8 and they will have a luncheon. An officers training school will be held that afternoon. There will be a banquet for state officers and trustees and those attending the school, in charge of Ray Hodges, Ohio National Life, Cincinnati. Among subjects to be discussed will be programs, meetings, education, publicity, membership, law and legislation. Chairman of the trustees and president is R. W. Hoyer, Columbus, general agent John Hancock Mutual.

Session for C. L. U.'s

A breakfast and round table for C. L. U.'s will be held May 9. Chester C. Lake, Akron manager of Travelers, will be in charge. Speakers will be John P. Williams, director educational advisory department American College of Life Underwriters, and Clarence E. Pejeau, assistant general agent, Massachusetts Mutual, Cleveland, whose subject is "Present Day Opportunities for Advanced Underwriters."

The main session of the morning will be presided over by Mr. Ransower and will feature addresses by Earle H. Schaeffer, manager Fidelity Mutual, Harrisburg, Pa., on "Quality Business Will Make You Rich," Phil Hobbs, manager Equitable Society, Chicago, on "Four Essentials for 1941."

Mayor Schroy will welcome the convention. Company luncheons, 17 having been scheduled, will be followed by a resumption of convention business with addresses by Bert C. Nelson, Northwestern Mutual Life, Milwaukee, on "Sign Here," and Herbert A. Hedges, general

agent Equitable Life of Iowa, Kansas City, on "Enthusiasm Turns the Trick." Presiding will be J. Pritchard Smith, manager Acacia Mutual Life and convention vice-chairman.

Judd C. Benson, manager Union Central, Cincinnati, and convention program chairman, will preside at the banquet which will feature an address by U. S. Senator Brooks of Illinois.

Four breakfast sessions are scheduled for the next morning, the groups consisting of cashiers, women agents, supervisors and general agents, and quarter-million dollar round table.

N. M. Kraus, New York Life, will preside at the cashiers' breakfast and E. C. Kelly, Jr., assistant superintendent of agencies, Home Life, will discuss "Conservation." Laura Doncaster, American United Life, will be in charge of the women's session. Eugene C. Noyes, will preside at the supervisors and general agents' meeting. Quarter-million producers will hear Max M. Matusoff, Mutual Benefit Life, Cleveland on "Estate Planning." Thomas R. Bouck will be in charge.

At the regular convention session Gale F. Johnston, regional manager Metropolitan Life, St. Louis, will speak on "The Modern Salesman," and Superintendent Lloyd of Ohio will talk.

Harrington Asks 4 Cent Tax on Annuity Policies

BOSTON — Because annuity contracts are not considered contracts of insurance, Massachusetts loses a tax on 111,000 of such contracts, Commissioner Harrington declared before the legislative committee on insurance in favor of his bill to place a tax of four cents on each such contract. Four people at salaries of \$1,800 each are required for a full year to handle examinations of this line, said the commissioner. The commissioner agreed to an amendment that such tax should not apply to supplementary contracts providing endowments by classifying them as annuities.

Lincoln Nat'l Agents Honor Hall

Agents of Lincoln National Life are honoring Arthur F. Hall, board chairman, with a production contest during May.

Agents are competing for the Hall month trophy and for production prizes. Agencies, divided into four size groups, are competing for Hall month plaques. Agents are using a prospecting program requiring a special list of prospects for each week of the month.



**FRIENDLY
PROGRESSIVE
STRONG**

Galveston,
Texas

Investment Problem Chief Topic

(CONTINUED FROM PAGE 1)

objectionable to place a small percentage of funds in the common stocks of the sounder companies, but only when the strictest tests as to nature of business, capital structure, earnings, dividends and the like have been met. He warned that it is inadvisable and entirely out of line with life company investment objectives to provide such capital for any new industry or company.

Another proposal is the financing of well-established enterprises whose financial requirements are too modest to obtain the aid of investment bankers. He said that after careful consideration he was of the opinion that such a move would probably prove expensive and on the whole unsatisfactory. As for suggestions that life companies either individually or through a pool guarantee the mortgage operations of federal agencies, Dr. Jones said he saw no reason why the companies should subject themselves into what appears to be a losing proposition.

Cash Values Criticized

Dr. Jones said that some critics have questioned the advisability of cash surrender and loan provisions of life policies, stressing the difficulty of meeting these demands in emergencies. While deferring to the judgment of his audience as against that of outsiders, Dr. Jones said that there nevertheless appears to be some merit to the critics' argument. Furthermore, if policy loans as an important outlet for insurance funds were eliminated, this of itself would be an important consideration. He indicated that cash surrender provision would probably have to remain, regardless of what might be done about loan values.

THREAT OF INFLATION

Discussing inflation, Dr. Jones referred to the fate of German life companies during the post-war inflation, but made it clear that he did not consider that anything so drastic could happen in this country. He pointed out that inflation overcame Germany before the nation was aware of what was happening, whereas the United States is fully forewarned and is determined that there shall be no inflation. He said that the German and French inflation experience does not warrant the conclusion that equities would safeguard principal. However, if common stocks were bought, the best results would be obtained on those of old and conservative managed companies.

Eternal Vigilance Needed

After outlining some of the investment objectives and ways in which they can be realized, Dr. Jones emphasized that after searching analysis has been conducted and investment made, eternal vigilance is essential. He said that in this respect he was inclined to believe that life companies have been somewhat remiss and that too frequently commitments are carried to the bitter end. A more realistic attitude would be to admit at an early date that an error was made and to take the loss without hesitation. The thinness of markets, and other factors, render this procedure difficult but in many instances not impossible or impracticable, he said.

May Be Big Task

Citing the service of the life companies through the years to the economic progress of the nation, Dr. Jones said that the important fact must not be overlooked that they will be called upon to provide capital funds needed in the readjustments to follow the war's end. They have a great responsibility to society, therefore, as well as to the policyholder in maintaining the soundest position possible in a world of rapidly changing values.

This may become a herculean task,

especially if serious inflation develops, Dr. Jones said, for under such circumstances even gilt edged securities would not insure safety of principal and satisfactory income return. He said that, according to the experience in England, France and Germany, real estate mortgages worked out better than bonds. Real estate values were affected by the imposition of fixed rentals in both England and Germany. Rentals fixed in Germany during the world war remained throughout the inflation.

Thus in these two countries the value of real property as a source of income was reduced to practically nothing but the property itself served moderately well in preserving capital values. Dr. Jones said, however, that it might be misleading to use European experience as a guide to possible changes in real estate values in America. For one thing, the high real estate tax rate in America, in case of inflation, would seriously affect values. Experience indicates, he said, that good farm land and smaller homes in well established rural communities provide some of the best sources of capital protection during inflation.

"It becomes apparent," he said, "that no investment program, no matter how carefully devised, would have prevented the disastrous losses in Europe during inflation yet I am firmly convinced that investment management cannot for one moment lose sight of sound investment objectives."

SITUATION IN CANADA

R. H. Reid, executive assistant of London Life, discussed the life company investment situation in Canada, and G. Bobley Mackay, assistant treasurer Sun Life of Canada, the topic of organization for research, especially relating to bonds and stocks.

The Canadian investment picture is dominated by the forthcoming third Canadian war loan of 600 to 750 millions, Mr. Reid said. This is of the significance in Canada that a federal issue of 10 billions would be in this country he said. The Canadian life companies are prepared to absorb a large proportion of the loan, so that cash on hand will be used and future income mortgaged. No part of the loan will be taken by chartered banks, whose facilities are reserved for shorter term financing. Very real sacrifice will be necessary to spare from income sufficient funds to purchase bonds to the extent demanded. Individuals and corporations are paying tremendously increased taxes.

Mr. Reid predicted that a situation similar to that in Canada soon will result in the United States due to the demands of the defense program and assistance to Britain.

Reviews Mortgage Conditions

He said leaving out patriotic considerations, investment problems have been heightened by the fact that new farm mortgages in the prairie provinces are of negligible proportions and eastern farmers also now are suffering. There has been drought, rust, lack of export markets, with a tremendous wheat surplus and unprofitable prices that have been maintained even at the present low levels only by federal action. It seems unlikely many new farm loans will be made even in the east. The total investment in farm mortgages will be relatively static.

URBAN MORTGAGES

New mortgages on urban property have presented a different picture, but there has been relatively little construction of commercial property, nor is there prospect of much. The main mortgage outlet has been residences. There is an

acute housing shortage in many centers. Mr. Reid noted increased cost of materials, ranging from 10 to 20 percent greater. This factor has an effect on appraisals. He also noted federal rental control, which limits yield from properties. The life companies argued for adequate return based not on original cost but replacement cost but were unsuccessful in getting relief.

The market for real estate on hand has been gradually improving and there have been many sales of single and small to medium size multiple dwellings. Prices are not entirely satisfactory. Smaller stores have been selling more readily. Larger commercial buildings are not showing return sufficient to attract purchasers.

Repaying Policy Loans

Policy loan repayments have been reasonably satisfactory, Mr. Reid commented, and total policy loans have shown successive decreases. Substantial withdrawals were expected due to the sharp increase in income tax rates, but this effect has not yet materialized to a noticeable extent.

Both preferred and common stocks have been a quite popular investment medium for Canadian companies. Most better grade common stocks show generous yields on present prices. There is reluctance to dispose of stock holdings

which even with reduced dividends would return an adequate yield, especially because at present prices a loss would result.

Mr. Reid concluded life companies' investment in Dominion bonds this year should considerably exceed the total increase in their Canadian assets.

Discusses Periodic Surveys

Mr. Mackay said it pays for any company to conduct periodic surveys of its investment policy and operations to note and make needed improvements. Such a survey should pay particular attention to the quality of the investment results being achieved. The task of investment calls for a great degree of alertness and keeping abreast of the times.

A small company has as great a need for the fullest investment service as a large company and the fact that a company's investment organization is large does not signify that it does the best job that is possible. Investment research serves as the base for discussion of investment policy. Mr. Mackay stressed that in the search for diversity the practice of spreading investments over a large number of issues not be permitted to become too mechanical. An investment placed on the books should not be forgotten. The investment manager must be ever alert to note signs of deterioration in holdings.

Our New ARROW of GOLD POLICY Provides—

- 1—Low cost protection at less than term rates.
- 2—Selection of any renewal period (not less than five).
- 3—Renewal privileges any number of times until age 60.
- 4—Final renewal to age 70 (selection period ends at age 60).
- 5—Conversion privileges any time until age 70.

A liberal, flexible, low cost contract. Extraordinary first year commissions and renewals.

Illinois Bankers Life Assurance Company

MONMOUTH, ILLINOIS

Exceptional General Agency contracts in the states of Illinois,
Iowa, Indiana, Ohio, Missouri and Kansas

LIFE • ACCIDENT • HEALTH

OBSERVATIONS

Lapse Data Explained

A life company educational executive has brought up the question: Does the table of lapses and surrenders in the issue of March 28 include only policies terminated under the strict definition of lapses and surrenders or does it include all avoidable terminations? He made the point that if the table included only the actual lapses and surrenders—as was the case—it would omit a substantial number of terminations which really should be considered along with lapses and surrenders in appraising a company's persistency record.

These omitted policies are the ones on which the policyholder has ceased paying premiums but has taken paid up insurance for a reduced amount or which have been put on the extended term basis. When the latter type of policies expires it is not shown as a lapse or surrender but in a separate classification. The lapse figures and the surrenders figure in the convention statement blank do not include these decreases or expiries.

Inclusion of expiries, however, would overstate the lapse-surrender amount, for expiries include not only extended term insurance which has run out but also regular term insurance which has expired and which presumably has fulfilled its purpose. Separation of the two types of expiries is not called for in the annual statement.

Inclusion of decreases—that is, policies on which the assured took paid-up insurance, thus decreasing the face amount in force—would also distort the lapse-surrender picture, since there is no way of telling which of these decreases are due to the insured's no longer needing the full amount of coverage and which are due to his negligence or thoughtlessness in not bothering to keep up premiums.

For that matter it is of course not strictly fair to lump lapses and surrenders together. Surrenders, careful studies have shown, are almost always due to such inexorable causes as loss of job or loss of health, which are regrettable and often tragic, but about which nothing can be done, either at the time of sale or later in the way of conservation efforts. While it is unfortunate that the policyholder must lose his insurance, he has had his protection and if the policy has been in force for any great length of time he can show a better net cost than the cheapest variety of term insurance. Lapses, on the other hand, represent not only discontinuance of protection but an unduly high cost for the protection that has been enjoyed.

"O" Goes High Hat

For some strange reason, Americans have come to regard the letter O as being more high class than the letter E. Witness the tendency to convert the word adviser into advisor. We ran across an adjuster the other day who has elevated himself into the ranks of adjustor. Following through, might it not be a good idea for parents who desire to appear especially high class in the eyes of their young to refer to themselves as mother and father.

Clears Up Fuzzy Thinking

A talk like that of Valentine Howell, vice-president and actuary of Prudential, at the company's annual business conference, is extremely helpful in clearing up a lot of the fuzzy mental activity that passes for thinking in connection with industrial insurance. Making an exact comparison with ordinary, Mr. Howell showed that industrial's approximately 25 percent higher cost is due to higher mortality and to the cost of weekly collections but the policyholder gets value received and very likely would otherwise not be insured if it were not for the existence of industrial.

In the industrial phase of life insur-

ance the SEC investigators seemed to feel that they had found a soft spot through which to attack the life insurance business. There appears to be a tendency for many ordinary companies to regard the SEC's attack on industrial and its suggestions that industrial should be wiped out as purely a matter for the industrial companies. But even ignoring the possibility that governmental action against industrial might be merely an entering wedge for the business as a whole, the purely ordinary companies would face something of a sales problem if the SEC should be successful in its efforts to have the sale of industrial abolished.

The natural course for the industrial writing companies would be to swing their sales forces over exclusively to ordinary. This would put a large and well disciplined sales force into competition with ordinary agents to a much greater extent than is now the case. Many purchasers who would usually buy weekly premium insurance would be converted to monthly ordinary but this would be impossible for the bulk of weekly premium insurance buyers who are unable to budget their money so as to pay any less frequently than once a week. For these the industrial sales forces would have to seek a substitute among buyers with whom they do not now have contact. The purely ordinary side of the business would certainly feel this new competition.

Insurance Taxes 5% of Budget

In discussing a revision of taxes in Illinois, Governor Green lists, among income the state now gets from various sources, insurance taxes and fees of \$14,500,000. This is over 5 percent of the total needed budget of \$258,583,228 for general purposes, and only three items in the list exceed the insurance item.

Comparisons Difficult

Executives trying to compare the operating results of companies are faced with an extremely difficult if not insuperable problem in attempting to derive significant ratios. In the matter of expense ratios alone the validity of the figure depends on so many variable factors as to make one company's ratio entirely impossible to compare with another's. For example, if expenses are expressed as a ratio of premiums, the type of premiums will have considerable effect. The big companies which have a large proportion of the single premium stuff, as compared with the smaller companies, will show a more favorable ratio. If expenses are related to the number of policies the ratio ignores annuities and supplemental contracts, also group and annuities if these are written. If expenses are related to the expense loading then the more liberal the loading the more favorable the ratio will look.

To arrive at a really significant figure it would be necessary to make a case study of the policies of all the companies being compared. It would be possible in this way to devise an expense index which would not be an actual ratio but a figure which would significantly measure the results of one company as against another. However, in order to relate this to premiums, for example, it would be necessary to divide up the business of each company under consideration by type of policies and by age distribution. The latter might be done roughly, according to 10 year age-groups but considering the wide variety of policy contracts being offered the problem would present numerous complications. Furthermore no such information is available in the annual statement. By weighing the different classifications according to their volume, the index would give a measure of results as between companies as it would compensate for the effect of a large volume of high premium business or a

large volume of business issued at older ages.

As it stands now the only accurate comparison that can be made between companies is the investment income figure. Naturally it is necessary to check through the bond and investment schedules to get an idea of the quality of the investments but these data are to be found in the annual statement itself.

Scotty and His Gold

Testimony of Death Valley Scotty on two recent occasions was that he doesn't have any gold mines and no income worth the attention of the internal revenue department or other persons with claims. One story around Chicago is that for a long while Albert M. Johnson, who headed National Life of U. S. A., was Scotty's "gold mine." Scotty and Johnson became acquainted not long after the turn of the century when the former "chartered" a special passenger train on the west coast and rode to Chicago in record time. Scotty was "working" his gold mines then, and Johnson became interested. He kept wanting to have a look at the gold-bearing properties in which he was investing. Finally Scotty, who had "enemies," and who kept location of his mines a carefully guarded "secret," reluctantly agreed to a trip to Death

Valley. They didn't reach the "mines." A rocket burst ahead of them on a lonely desert night, and Johnson turned back. On a subsequent occasion a regular safari was broken up on the desert and turned back when Scotty's brother was shot from ambush. Scotty later was arrested on a charge of having arranged the shooting, but nothing came of the matter. Apparently Scotty has always managed to get gold, of one kind or another, out of the hills of Death Valley.

It Puts Over the Point

On the train home the other night a friend raised the point that policyholders weren't getting the full benefit of the mortality savings because of the lower death rate. Without any exact figures at hand, we pointed out that if the death rate on a group of 1,000 had been 20 a year and was reduced 50 percent to 10, it would be a decided improvement, but when the saving on the 10 lives was distributed to the 990 remaining it didn't amount to so much per policyholder. Although this is not an original explanation, our friend saw the point and was satisfied.

Military Service & Life Insurance answers all your questions. 50c, National Underwriter.



in 1951.....

LOOKING AHEAD—yes, as early even as ten years from now—some GUARANTEE MUTUAL LIFE representatives will be able to retire, lock their desks, and mark their memo pads "Gone Fishing."

BECAUSE—for several years now, GUARANTEE MUTUAL LIFE agency contracts have included a plan of Income Continuance, under which a retirement income is built up, *without any contribution by the agent*, for the writing of a surprisingly low amount of quality business. Because, too, our contracts have included "doubled up" renewals during the early policy years, which enable our men to become established—better, and faster.

THUS—our men are providing for *their* sunset years, and are doing a better every-day job because they feel that they are being *properly* compensated for good work well done. This plan will make it possible for some of our men to retire as early as 1951, their incomes well supplemented by EXTRA INCOME from their GUARANTEE MUTUAL LIFE income continuance plan.

Write A. B. Olson, Agency Vice President,
for details of our
"BUILDERS of MEN" Agency Plan.

GUARANTEE MUTUAL LIFE CO.

OMAHA, NEBRASKA

Organized 1901

EDITORIAL COMMENT

Too Many Exceptions in Hobbs Bills

SOME time ago THE NATIONAL UNDERWRITER expressed its views in favor of the Hobbs bills introduced in Congress by Commissioner Hobbs of Alabama. At that time we believed that the Hobbs bills if enacted into law would prohibit the use of the mails to any insurance company soliciting business in a state where it was not licensed. Such, however, is not the case. In the bill presented to Congress Mr. Hobbs has, in our opinion, unfortunately made too many exemptions. He has practically defeated the object of his bill by the numerous classes of companies to which the law would not apply. We can see how almost any company desiring to use the mails and not be licensed could come under one of these classifications. In another bill introduced by Commissioner Hobbs he would have a company certified to by the Securities & Exchange Commission before it could use the mails and be permitted the privilege to solicit business where not authorized. We do

not like that proposal any better than the other bill.

In the opinion of THE NATIONAL UNDERWRITER, no insurance company of whatever color, class, financial setup should be permitted to operate in a state unless it is licensed. The subject of unauthorized insurance companies is one of the most vexing and aggravating ones before insurance commissioners. Many of these concerns are wholly without much financial ballast. Often they are operated by incapable, plunging and speculative-minded people. The original Hobbs bill that has been before Congress in years gone by was one that had no exemptions, as we recall it. It applied to all classes of companies. Unfortunately a fight was precipitated against it by those classes of companies that are now operating in states without a license. We agree with Superintendent Lloyd of Ohio in the position that he takes on the Hobbs measures—that both of them have fatal provisions in them.

Cometh a Day of Older People

PROF. DICKINSON of the University of Illinois in some of his talks to the public and lectures to his students dwells on the situation in this country 30 or 40 years hence as he sees it. He predicts a nation where older people will be in the majority. This will bring very serious social and economic problems where Townsendites will be in the ascendancy.

Social security is being stressed today with increasing emphasis. It is engrossing the minds of all. It is a vital issue, and the social security act is intended to assist in solving the problem. It will provide a minimum of benefits. It is a skeleton only partly filled out.

So far as life insurance agents are concerned they are using the act to

ascertain facts as to family situations and with that information as a basis can point out the gaps and inadequacies. All thinking people should appreciate the fact that the government can only supply rock bottom benefits, merely a subsistence fund. It should be supplemented by life insurance to give the older people more than bare subsistence. The tieup can be made very logically and people will see how satisfactorily the companionship functions.

We should project ourselves into the future and we will see a far higher ratio of older people. Hence pension and retirement benefits through life insurance can be provided to augment government payments.

Before You Answer the "AIU"

AMERICAN Investors Union, Inc., "a nonprofit organization for the protection of the investing public," is circularizing a big list of insurance executives to get their reaction to an article by Elias A. Gilbert appearing in the union's monthly publication, "Your Investments." The union doesn't send out a copy of the magazine but offers it at a special discount. The union particularly asks all these executives for their opinion of the Gilbert article, which is highly critical of life insurance, so that the insurance

side of the story may be printed in a subsequent issue.

On the face of it this sounds like a fair enough proposition: Mr. Gilbert states his side and then representatives of the insurance business state their side. Actually the union should answer a few questions itself before it begins asking any. Among these questions might be the following:

What steps did you take to check on Mr. Gilbert's qualifications as a disinterested truth-seeker or as an expert

qualified to understand the technical side of life insurance? You undoubtedly knew of his book, "Life Insurance: A Legalized Racket." Does such a title, even if you have not read the book, suggest an objective, fact-finding approach to an important question?

Looking at the whole question in a broad way, does it seem reasonable to suppose that Mr. Gilbert is right and nearly everyone else in a position to know about the life insurance is wrong? Even assuming that everybody in the life insurance business, as Mr. Gilbert seems to think, is bound in a sinister conspiracy to mislead the public, isn't it remarkable that some of the conspirators have not repented of their evil ways and made public confession?

Does it seem as if the way to get a clear picture of the institution of life insurance before the union's member-

ships and other readers is to let an irresponsible and educationally unequipped accuser denounce the institution and then ask persons from within the business to defend it? Is the result likely to be enlightenment or simply general bewilderment on the part of all readers except the small minority who will study the question through, which they could have done without help from Mr. Gilbert or anybody else?

The American Investors Union should answer these questions before it has the temerity to ask anyone in the life insurance business for an opinion of the Gilbert article. As it stands now the union is at least to be suspected of preferring to print sensationalized stories to titillate its readers rather than making a serious search for truth—a search which might well be most helpful to its membership.

PERSONAL SIDE OF THE BUSINESS

William R. Collins, Johnston & Collins agency, general agents for Travelers, New York City, is spending six weeks with his family at their winter home in Mandarin, Fla. He will return to the office about May 15.

C. A. Craig, chairman of National Life & Accident, is again chairman of the Tennessee anti-syphilis committee.

Howard A. Austin, Jr., assistant manager Prudential ordinary agency, Kansas City, has returned after six months' training in the naval reserve school, Chicago. He volunteered last fall. He is chairman of the young men's committee of the Kansas City Life Underwriters Association.

The North Dakota legislature at its recent session passed a concurrent resolution commending President **George A. Bangs** of American United Life for his services 1931-1933 as chairman of the North Dakota commission which directed construction of the new capitol building.

The field force of Republic National Life gave **Allen Anderson**, director of agencies, a pleasant surprise on his birthday, by sending in the largest number of applications ever received in a single day with birthday greeting cards attached to each application.

The order for **J. F. Gibson**, assistant insurance commissioner of Oklahoma, to report for service with the 49th field artillery has been cancelled and he will continue his connection with the Oklahoma department.

More than 150 St. Louis business leaders attended a breakfast in honor of **George L. Dyer**, St. Louis general agent Columbian National Life for 30 years. J. L. Davis, chairman board of directors Security National Bank, was toastmaster. Mr. Dyer recently returned from a trip to Florida where he went to recuperate from a serious illness.

H. M. Faser, Jr., Boston general agent Penn Mutual, visited his father, **H. M. Faser, Sr.**, Jackson, Miss., superintendent of agencies, Lamar Life, en route

home from the Penn Mutual agency convention in San Francisco.

Walter E. Barton, manager of the Knight agency of Union Central Life, New York City, and Mrs. Barton have been vacationing in Pass Christian, Miss., after attending the company's \$250,000 Club meeting in New Orleans. They are returning to New York City at the end of this week.

John A. Roberts, assistant actuary of Continental Assurance, has been elected village clerk of La Grange, Ill., his home town, and also becomes a deputy registration officer there. Mr. Roberts is the perennial secretary-treasurer of the Chicago Actuarial Club.

M. W. Hobart, secretary-manager of the Ministers Life & Casualty of Minneapolis, and Mrs. Hobart announce the engagement of their daughter, Mariam, to H. F. Selle of Minneapolis. The wedding will take place June 9.

DEATHS

John T. Moore, 36, general agent of Connecticut Mutual Life in New Orleans, died there. He was with Pacific Mutual Life and Mutual Life of New York before joining Connecticut Mutual in 1938 when that company entered Louisiana. He was a former president of the New Orleans Association of Life Underwriters.

Another Connecticut Mutual general agent died the day after Mr. Moore. He was **Walter S. Buck**, who had been with Connecticut Mutual 36 years, 33 as general agent at Scranton, Pa. His long record was outstanding. When he became general agent, there were but 11 company representatives in Pennsylvania. Today there are several times this number in the Scranton agency alone. Many of the men trained by Mr. Buck have become well-known in life insurance circles, and at least three are now general agents for Connecticut Mutual or other companies. Mr. Buck had the reputation among his agents of

THE NATIONAL UNDERWRITER



Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Telephone Wabash 2704

EDITORIAL DEPT.: C. M. Cartwright, Managing Editor. Levering Cartwright, Assistant Managing Editor. News Editors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor, Kenneth Force.

BUSINESS DEPT.: John F. Wohlgenuth, President. H. J. Burridge, Vice-President and Secretary. John Z. Herschede, Treasurer. W. A. Scanlon, G. C. Roeding, O. E. Schwartz, Associate Managers.

CINCINNATI OFFICE—420 E. Fourth St. Tel. Parkway 2140. L. H. Martin, Abner Thorp, Jr., and C. C. Crocker, Vice-Presidents.

ATLANTA, GA. OFFICE—560 Trust Company of Georgia Bldg., Tel. Walnut 5567. W. M. Christensen, Resident Manager.

DALLAS OFFICE—809 Wilson Bldg., Tel. Central 7814. Fred B. Humphrey, Resident Manager.

MINNEAPOLIS OFFICE—500 Northwestern Bank Bldg. Tel. Geneva 1200. R. W. Landstrom, Resident Manager.

NEW YORK OFFICE—123 William St. Tel. Beekman 3-3958. Editorial Dept.—G. A. Watson and R. B. Mitchell, Associate Editors. Business Dept.—N. V. Paul, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

BOSTON OFFICE—Room 522, 25 Huntington Ave., Telephone KENmore 5237. R. E. Richmond, Vice-President.

DES MOINES OFFICE—2825 Grand Ave., Tel. 4-2498. R. J. Chapman, Resident Manager.

PHILADELPHIA OFFICE—1127-123 S. Broad Street. Telephone Pennypacker 3706. E. H. Fredrikson, Resident Manager.

CANADIAN BRANCH—Toronto, Ont., 86 Adelaide St., East, Tel. Waverley 7988.

DETROIT OFFICE—1015 Transportation Bldg., Tel. Randolph 3994. A. J. Edwards, Resident Manager.

SAN FRANCISCO OFFICE—507-S-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Res. Mgr.; Miss A. V. Bowyer, Pacific Coast Editor.

Subscription Price \$3.00 a year (Canada \$4.00). Single Copies, 15 cents. In Combination with The National Underwriter Fire and Casualty, \$5.50 a year (Canada \$7.50). Entered as Second-class Matter June 9, 1900, at Post Office at Chicago, Ill., Under Act, March 3, 1879.

NEWS OF THE COMPANIES

Guarantee Reserve of Ft. Collins in Own Building

Guarantee Reserve Life of Fort Collins, Colo., now occupies its own home office building at 109-11 West Mountain avenue, in the heart of the downtown district.

At a recent meeting of stockholders V. G. Brown was elected president and general manager; Dr. V. E. Cram, medical director and vice-president; John S. Sherritt, vice-president; C. O. Henderson, secretary and agency director; B. B. Helmick, treasurer; Waldo Riffenburgh, general counsel; T. J. Warren, associate counsel.

Mr. Brown started in 1934 in Albuquerque, N. M., with Santa Fe National Life; he became a supervisor in 1935; agency manager in 1936 and vice-president in 1937. In 1939 he went to Tulsa, as president of Acme Life; and in 1940 he became executive vice-president and manager of Guarantee Reserve Life.

C. O. Henderson started in the business in 1906 with Capitol Life. In 1920 he went with Bankers Life of Iowa. From 1923 to 1927 he was associated with Western Union Life, later taken over by Sun Life of Canada, when he became Colorado state manager for Northern Life of Seattle. In 1931, conceiving the idea of forming a new Colorado company, he presented his idea to dozens of persons in the state and today the stockholders are cooperating in promoting life insurance sales. About \$1,000,000 of insurance has been sold since the company qualified last June. Mr. Henderson is striving to build a quality agency plant. The company is organizing an industrial department.

As of Dec. 31, 1940, assets were \$133,827, capital \$100,000, and net surplus \$26,213.

May Form Publicity Unit

President A. M. Burton of Life & Casualty of Nashville has announced to the field that the company is contem-

Named Ohio Supervisor for Commonwealth Life



ROBERT L. MYERS

Robert L. Myers has been appointed supervisor of Commonwealth Life for Ohio, with offices at 20 South Third street, Columbus. Mr. Myers has been with John Hancock for 18 years, serving as cashier, personal producer, and during the last six years he has been field supervisor for the Ralph W. Hoyer agency. Mr. Myers has been successful in training men.

being the fastest-moving 300-pound man in northeastern Pennsylvania. He averaged about 800 miles a week in his car, traveling through his territory.

William E. Selph, for 33 years an agent with the Allen & Schmidt agency of New England Mutual Life, New York City, died at his home in Maplewood, N. J. Last fall he had been given a 35th anniversary dinner at which he was presented by his agency associates an inscribed silver tray. He was a consistent million dollar producer. Funeral services were held at the Colonial House, Brick Church, N. J. W. Eugene Hayes, director of agencies from the home office, attended the funeral.

P. W. Satory, 70, general agent of Pacific Mutual Life in Fargo, N. D., died in a hospital there. He joined the Pacific Mutual as state agent for North Dakota in 1914 and moved to Fargo. He was active in the business until his death.

C. W. Halfhill, 77, Mercer, O., a leading producer and a director of the Ohio State Life, died of a heart attack.

Mr. Halfhill attended a meeting of the directors of the Ohio State Life in Columbus Thursday and seemingly was then in good health. He had been an agent 33 years and a director 16 years. He was the dean of the agency force.

W. B. Ackerman, 47, Cincinnati general agent John Hancock, died in Holmes hospital there after an illness of seven weeks. Mr. Ackerman was president of the John Hancock General Agents Association and a past president of the Associated Life General Agents & Managers of Cincinnati. He was a director of the Cincinnati Life Underwriters Association. Mr. Ackerman joined John Hancock in Cleveland as a clerk over 30 years ago. During the world war, he was gassed in action, this eventually contributing to his death. On his return after the war, he became an agent in Cleveland and later was appointed supervisor. He was appointed Cincinnati general agent 14 years ago. A bachelor, he leaves 10 brothers and sisters in Cleveland, where burial took place. He was active in the chamber of commerce and Masonic circles.

Sub-Lieut. Donald H. Robb, formerly a member of the actuarial department of London Life, London, Ont., was killed in action when H. M. S. Bonaventure was torpedoed and sunk in convoy duty recently.

Issue Arose as to Cause of Policyholder's Death

The Kentucky court of appeals sustained the lower court in Osborne vs. Metropolitan Life in giving judgment to plaintiff. Richard Osborne had a \$5,000 accident policy. In July, 1935, he consulted a physician for a sore finger. It developed he had diabetes and was treated for such in February, 1936. The company renewed the policy that month having knowledge of the treatment. Subsequently he went to a doctor to have an ingrown toe nail removed. The toe became sore, was treated by his physician who felt in due season it was cured. Later, however, the toe became black and a septic and gangrenous condition developed. An amputation was necessary but the assured failed to recover and after a second amputation, the assured died.

The policy provided there was no liability for death caused by disease germs or infection except septic infection through a visible wound caused directly by violent and accidental means. The plaintiff claimed the infection had set in through the cut on the toe and the cut had been caused when an instrument used by the doctor who removed the ingrowing nail had slipped. The doctors who performed the operation said that death was caused primarily by the infection aggravated by the diabetic condition. The judgment for the beneficiary was affirmed.

Military Service & Life Insurance answers all your questions. 50c, National Underwriter.

plating the establishment of an advertising and publicity and public relations department at the home office. He states that it is the company's policy to advance men from within its own ranks and hence if there is any one connected with the company that feels that he has an aptitude for this work he is asked to step forward and present himself.

Mounger Succeeds Donald

W. M. Mounger, bank president, was elected vice-president and treasurer of the Standard Life of Jackson, Miss., succeeding the late Maj. George L. Donald. He also succeeded Major Donald as president of the Deposit Guaranty Bank & Trust Co.

Smith to Occidental Home Office

Occidental Life of California has appointed Percy D. Smith, former Texas supervisor of Fidelity Union Life and later personal producer for Bankers Life of Iowa in Dallas, to the home office agency staff to assist in the field training department.

A native of Arkansas, Mr. Smith took

his college work at the University of Illinois and after graduation he entered life insurance with Mutual Life of New York at Pittsburg, Kan., later becoming district manager. He went to Texas with Fidelity Union Life in 1937.

United Life House Warming

The officers and directors of the United Life of Salina, Kan., will hold open house in their new modern office from 2 to 10 o'clock May 8-10. The offices are very inviting and commodious and are especially adapted to the work of the company.

Vogel First Club Qualifier

W. S. Vogel, Newark general agent, is the first man to qualify for the Star Producers Club of Columbian National Life. This makes him automatically secretary of the club. This is his 14th club membership. In 1939 he was president.

Maduro to Speak in K. C.

KANSAS CITY—D. B. Maduro, counsel of New York City Life Underwriters Association, will address the Life Insurance & Trust Council here May 5, on points in wills and trust agreements affecting life insurance.

• Life • Accident • Health • Annuities • Hospitalization • Group • All-Ways

IT'S EASY TO SELL The B. M. A. Way



"Good morning. I'm here to see Mr. Jones about a TIMELY subject."

Impresses pretty secretary with miniature reprint of B.M.A. ADS in TIME Magazine.

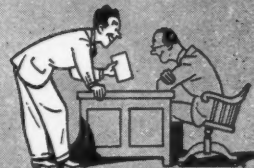


LEAVES WITH APPLICATION FOR
B.M.A. ALL-WAYS CONTRACT
The
Last Word in Income Protection



Equipped with Streamlined Pocket Salesman, B.M.A. representative starts out to tell his prospects about COMPLETE INCOME PROTECTION.

"Don't spend your time looking for Salesman—It's in his pocket."



"Mr. Jones, here's a plan that will provide Complete Hospital Service for you and your entire family."

Arouses prospect's interest in HOSPITAL SERVICE, then tells him how his income will be continued in event of SICKNESS, ACCIDENT or DEATH.



Business Men's Assurance Company

KANSAS CITY, MISSOURI

W. T. GRANT
President

J. C. HIGDON
Vice-Pres. in Charge of Sales

LIFE AGENCY CHANGES

Sechtman Becomes Luther Partner

NEW YORK — Associate General Agent L. W. Sechtman has been made a partner in the K. A. Luther agency of Aetna Life in New York City, it was announced at a breakfast meeting of the entire agency organization given by Mr. Luther. The name of the agency



L. W. SECHTMAN

will be K. A. Luther & Co. Representing the home office was R. W. McCreary, agency secretary, and J. K. Luther, editor of the "Life Aetna-izer," and a nephew of Mr. Luther. E. H. Morrell, manager of the 42nd street branch of Aetna Casualty, was a guest.

Mr. Sechtman, who will celebrate his 25th anniversary with Aetna Life in June, went to work for Aetna under a temporary summer job. Though a native of Hartford, young Sechtman had no intention of going into insurance, his aim being to go to Wharton School of the University of Pennsylvania to study business administration. However, instead of going to school that fall he joined the 101st machine gun battalion, which was composed very largely of Aetna Life men, and was commanded by Maj. Morgan G. Bulkley, Jr., son of the Aetna Life's then president.

The battalion went to France soon after the United States entered the war and Mr. Sechtman did not get back to this country until June, 1919. He went back to the home office where he worked in the group department under E. E. Cammack, then assistant actuary. A few months later Mr. Sechtman was sent to New York City as group department representative and in 1920 he was transferred to Newark. In 1923 he was brought back to New York where he became the company's first brokerage manager. He continued in that capacity in the same agency, which was later headed by Hart & Eubank, then by R. H. Keffer, and later by the Luther-Keffer partnership. In 1937 Mr. Sechtman became associate general agent and was shifted from brokerage to supervision of full-time agents. He continued in that capacity with the Luther agency when the partnership was dissolved in 1938.

Mr. Luther's career with Aetna Life dates from 1898 when he joined the company as an agent in Warsaw, N. Y. He became its agent in Syracuse in 1905, operating out of the Rochester agency. In 1909 he was made a general agent in Syracuse. Ten years later he went to Boston as general agent and in 1923 went to the home office as agency vice-president. Returning to the field in 1933, Mr. Luther formed a partner-

ship with General Agent R. H. Keffer in New York City. In 1938 the partnership was dissolved, each of the partners becoming an independent general agent.

Much Interest in Move of Stanley Martin to Texas

Stanley E. Martin, in his new capacity as Dallas general agent for State Mutual Life, succeeds H. Thad Childre, who has terminated his connection with State Mutual. The Dallas office has been in existence since 1936 when State Mutual entered Texas. State Mutual also has an office in Houston and district offices in several other cities.

Mr. Martin, who is only 42 years of age, has been in the business just a little more than 10 years, and he has been successful from the start. He had been general agent for State Mutual at Columbus, O., since 1938 in company with Stanley K. Coffman, operating as Martin & Coffman, general agents. He is a member of the Million Dollar Round Table and has become one of the best known figures in the business because of the many inspirational speeches that he has made throughout the country.

Mr. Martin graduated from Ohio State University and was in the shoe business and later the real estate business. In 1930 he went with Pacific Mutual Life in Columbus and in his first year produced more than \$500,000. He was the company leader the second year.

Lapp Returns to State Mutual at Springfield, Ill.

State Mutual Life has opened an office in Springfield, Ill., with H. Drew Lapp as general agent for Springfield and central Illinois.

Mr. Lapp has been in the business for 29 years. He originally started with State Mutual in 1912 in Quincy, Ill., and nearly four years later was promoted to associate general agent of the Chicago office. In 1927 he went into business for himself on a brokerage basis. In 1932 he became Springfield general agent for New England Mutual, the position from which he has resigned to take the general agency for the State Mutual.

Mr. Lapp has always been a large personal producer in addition to his general agency duties.

Childre Joins Occidental Life as Dallas General Agent

H. T. Childre, prominent in Texas as a manager and producer, has been appointed as general agent of Occidental Life of California for Dallas and northeast Texas, effective May 1.

Mr. Childre entered life insurance in 1919 with Fidelity Mutual Life. In 1925 he was named district manager at Tulsa by Jefferson Standard Life. Then, following a period as agency manager of Seaboard Life at Houston, he was elected vice-president and manager of agencies of that company in 1928.

In 1931 he returned to Jefferson Standard as superintendent of agencies for the western division. In 1936 he became general agent in Dallas for State Mutual Life, which connection he has just left.

Selig Reliance District Manager

Leonard Selig, agent in the Hastie agency of Mutual Life of New York, Chicago, has been appointed district manager by W. C. Peck, manager of Reliance Life there. Mr. Selig, who is a son-in-law of the late I. B. Jacobs, educational supervisor in the Hastie agency and former president Chicago Association of Life Underwriters, resigned from the Hastie office.

He has been in life insurance work

with Mr. Hastie for five years, having gone there from Ligonier, Ind., when Mr. Jacobs died, to look after his business. Formerly he was connected with S. W. Straus & Co., bond house.

He will have headquarters in Chicago and will develop Illinois and Indiana territory, especially around South Bend and possibly Fort Wayne, Ind.

Edgecomb Rejoins Strong

D. L. Edgecomb, Dallas general agent Pan-American Life since January, 1940, has returned to the Ricks Strong general agency at Dallas for the John Hancock Mutual Life as agency supervisor. Mr. Edgecomb went with the Strong agency the first time when the John Hancock Mutual entered Texas in 1937. He was advanced to supervisor a few months later and in 1939 was transferred to Lubbock as district manager. He left this latter post to go with the Pan-American.

Mr. Strong has appointed Pauline Dunlap, formerly agency cashier, as manager of the agency's brokerage department. She has been with the agency since 1937, when the company entered Texas.

Hopkins to Security L. & A.

S. B. Hopkins, formerly with the Travelers and more recently unit manager of California-Western States Life in San Antonio, has been appointed manager there by Security Life & Accident of Denver, with offices at 2502 Smith-Young Tower.

Illinois Bankers at Kansas City

James L. Wallin, formerly general agent at Little Rock, has been appointed Kansas City general agent for Illinois Bankers Life. During the past year Illinois Bankers has had no general agent at Kansas City.

A. Neil Somerville has become a personal producer in the Dallas city agency

of Southland Life. He was formerly Dallas general agent of Republic National Life. He entered life insurance business 27 years ago with Penn Mutual Life in Kansas City.

Can't Require License for Soliciting in Army Camp

ST. PAUL—A life insurance agent operating at a federal fort, cantonment, naval station or training camp within a state need not have a state license, Assistant Attorney-general Devitt has advised Commissioner Johnson.

"The Congress of the United States is the only legislative body having authority to legislate with reference to such areas and the agents and solicitors license law would not be applicable," Mr. Devitt held. "Persons soliciting applications for insurance upon the lives of service men stationed in such federal reservations would not need to secure an agent's or solicitor's license."

Officers Fix Payments—If Any

ST. PAUL—The Minnesota department has taken up the case of beneficiary of a policy issued to a Minnesota resident by a Phoenix, Ariz., benefit association. In sending to the beneficiary forms for filing proof of death, the association said:

"After these forms are completed and returned to this home office they will attract the attention of our officers who will determine the amount of insurance payable, if any, in accordance with the policy conditions and especially sections 4 and 8 thereof."

Unofficially the association indicated the beneficiary would receive about \$60 on a \$1,000 policy.

Subscribe now to **Accident & Health Review**, \$2. 175 W. Jackson Blvd., Chicago.

OPPORTUNITY For Life Insurance General Agent

to Manage established office Detroit,
Michigan, and vicinity.

Old line legal reserve company with recommended rating by Best. Has operated Michigan agencies for many years with large business in Detroit territory. Home office can furnish plentiful and continuous supply of leads. This opportunity open to a man with a proved record of exceptional outstanding ability, one with the enthusiasm and vigor needed to inspire associates and build a first class agency organization. He must have the education and ability to attract the best type of agents and win the respect and confidence of the best type of clients. He should be married, stand the closest investigation and be between 30 and 45 years of age. If you are looking for an opportunity to better yourself and measure up to these requirements, address N-30, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

Also excellent agency opportunities in Ohio, Indiana,
Illinois and Iowa.

LIFE SALES MEETINGS

Jefferson Standard Has Best Meeting

AGUSTA, GA.—The agents' convention of Jefferson Standard Life was its most successful in attendance, business and entertainment. Vice-president R. C. Price engineered the meeting through his agency department staff composed of M. A. White, agency manager; E. C. Klingman, director of agencies; and Karl Ljung, superintendent of agencies, and others.

The splendid entertainment program was directed by Vice-president J. M. Bryan.

Paul Speicher, of Research & Review, led off the speakers with "The Benefits of Life Insurance."

President Julian Price presented agents with a workable program to cope with present day situations in his talk on "The Job for 1941." Mr. Price is chairman of the North Carolina defense committee. At the request of the American Life Convention, which he heads, Mr. Price is setting up a committee to discover ways and means through which the facilities of life insurance could work to further defense activities.

More than 500 agents were welcomed to Augusta by a welcome from the mayor, greetings from business, civic, and social leaders.

Agency Manager White presided at the first morning's session during which J. A. Webster, Sr., manager at Savannah, and Judge Shephard Bryan, director, spoke. The second morning's session was in charge of O. P. Schnabel, manager at San Antonio, when speakers were W. H. Andrews, Jr., manager at Greensboro, candidate for secretary for the National Association of Life Underwriters, on "The Profession of Life Underwriting"; W. L. Brooks, member million dollar round table, on "The Day To Day Job of Selling Life Insurance."

Mary R. Taylor, agency secretary, announced the drive to reach the \$500,000,000 mark in insurance in force.

Something new in convention technique was presented when C. D. Egeron, manager at Raleigh, and W. K. Brown and C. W. Mitchell of the Richmond agency, opened both business sessions by giving away \$100 in a "take it or leave it" quiz program on life insurance questions.

The two-day golf tournament was won by J. W. Coulter, Pensacola, Fla. Mr. White gave recognition for outstanding records. The convention's only resolution was a telegram to Mr. Klingman, absent because of illness.

Mutual Benefit Regional Meeting in Kansas City

KANSAS CITY—The midwest regional meeting of Mutual Benefit Life held here was attended by 100 agents and 12 general agents. George Harsh, general agent here, was host.

Present from the home office, speaking and conducting round table discussions, were H. G. Kenagy, superintendent of agencies; H. W. Jones, assistant mathematician; A. J. Kirkland, assistant secretary; C. E. Brewer, Jr., assistant to the superintendent of agencies, and I. W. Shattuck, convention manager. John R. Hardin, president, was prevented from attending on account of a death in the family. His subject, treated by Mr. Jones was "Life Insurance Under Today's Conditions." Dr.

AGENCY WANTED

KANSAS CITY, MISSOURI
A resident of Kansas City with wide acquaintance in the city and adjoining territory. Good organizer and clean record—not at present connected. Replies strictly confidential. Address N-29, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

William L. Young, president of Park College, Parkville, Mo., spoke at the banquet on "The Need for Life Insurance in the Home."

Awards and special prizes were given by Mr. Kenagy. J. H. Leaver, field service manager for the midwest agencies, introduced each person in the room from memory, giving name, title and place, a feat which impressed agents.

Atlantic Life Has Tenn. Rally

NASHVILLE, TENN.—About 50 Tennessee agents attended a sales conference of the Atlantic Life here. Commissioner McCormack spoke at the luncheon, giving some of his views on the TNEC report. Dr. G. W. Dyer, nationally known economist, speaking at the dinner, praised life insurance for its present stable position in the national economy.

Present from the home office were President Ralph R. Lounsbury, Vice-president R. V. Hatcher, and Kenneth R. Miller, superintendent of agencies. J. B. Leeth, supervisor, and H. A. Loving, manager of the Nashville agency, were in charge of local arrangements.

Occidental Sets 1942 Convention

Occidental Life of California will hold its 1942 agency convention at Del Monte, Cal., Sept. 9-11. Attendance is expected to surpass that of the recent New Orleans convention, when more than 300 registered.

Johnson and Helm Guests

Commissioner Johnson and Clyde B. Helm, secretary Insurance Federation of Minnesota, were guests at a breakfast meeting of the Travelers life staff in Minneapolis. Both Mr. Johnson and Mr. Helm were with the Travelers about the same time a dozen years ago.

Great Southern Homecoming Set

The 1941 homecoming for agents of the Great Southern Life of Houston will be held Oct. 9-11, with headquarters at the Rice Hotel.

AGENCY NEWS

Schnell Agency, Peoria, Holds Quarterly Meeting

The quarterly meeting of the Frederick A. Schnell agency of Penn Mutual Life, Peoria, Ill., was held with 30 attending from Peoria, Galesburg, Bloomington, Springfield, Quincy, Decatur, Champaign, Rockford, Freeport, Belvidere and Benton. A. Moseley Hopkins, Jr., of the home office training department was a speaker. F. C. Gedge, Jr., Peoria, and K. L. Keil, Springfield, also were on the program. Mr. Schnell presided and was host at luncheon.

President Loomis at Nashville

James L. Loomis, president Connecticut Mutual Life, visited the Nashville agency headed by John E. Bailey and spoke at a luncheon.

Wilson Has Five Qualifiers

Five members of the E. D. Wilson agency of Mutual Life of New York in Richmond have qualified for the Quarter-Million Club convention in Colorado Springs, June 26-27. They are J. B. Hutcheson, Roanoke; J. P. Wells, Danville; G. C. Outland, Norfolk; J. R. C. Stephens, Wicomico Church; Guy C. Sheppard, Richmond.

New York Life Parley in Toledo

C. J. O'Connell of the New York Life's home office and Harry H. Hicks,

WANTED GROUP SUPERVISORS FOR CALIFORNIA

Here is an unusual opportunity for an experienced group insurance salesman, age 30 to 40, to supervise established agents in California in the production of group hospitalization, surgical benefits, accident and health and life employer contracts.

Attractive salary and expense offer to those who can qualify.

In first letter give your age, marital status, group and life sales experience and production last three years.

Write to

RAY P. COX

Vice President and Manager of Agencies
Box 959, Sacramento, California

CALIFORNIA-WESTERN STATES LIFE INSURANCE COMPANY

HOME OFFICE—SACRAMENTO

COUNTRY LIFE INSURANCE COMPANY

*"Outstanding
in Every Respect"*

HOME OFFICE • CHICAGO, ILLINOIS

Detroit, inspector of agencies, will speak at a meeting of the Toledo, O., agency May 3. R. A. Wesselman, Toledo agency director, will preside.

COAST

Honor Prudential Ordinary Manager in Los Angeles

LOS ANGELES—Jack White, manager of Prudential's Los Angeles "B" ordinary agency, has been admitted to Class B of the Prudential Old Guard. He started with the company 10 years



JACK WHITE

ago and was appointed manager to succeed his father, the late James S. White, last August.

On his anniversary he was in New York to attend his first home office managers conference.

His associates in Los Angeles had flowers and a congratulatory note placed in his hotel room on his arrival. They made an we business effort in his honor and presented the combined results to him at a breakfast meeting on his return April 28.

Baseball Prize Conquers Spring Fever

As a means of overcoming spring fever the other day, T. J. Binder, general agent at Portland, Ore., for Equitable Life of Iowa, offered a ticket to the ball game to each agent who would sell two policies within the week. Leon N. Lefebvre, who was the leading agent in Oregon last year, came into the office three days later with 13 applications for a total of \$42,000. Ten agents qualified for tickets.

S. F. Cashiers Hear A. B. Brown

Arnold B. Brown, assistant actuary of Metropolitan Life, addressed the San Francisco Life Agency Cashiers Association on "Reasons behind the recent rate changes and new trends which may appear in 1941." Harold McCrimmon, Reliance Life, was in charge of the dinner meeting.

Training Course in Yates Agency

E. Lloyd Mallon, assistant director of agencies of Massachusetts Mutual Life, is conducting a training course in the John W. Yates agency in Los Angeles. The new men of the agency are being given the course, while the older men are taking it as a refresher.

Funeral Fund Held Insurance

Although the California Funeral Service Fund is organized as a non-profit corporation, there is no question that it is a "commercial enterprise" and cannot issue burial certificates without first obtaining from the commissioner of insurance a certificate of authority to engage

in the business of life insurance. J. L. Nourse, deputy attorney-general, holds.

Conventions

- May 1-2—Life Office Management Association, New York.
- May 2-3, Des Moines sales congress.
- May 5, Actuarial Club of the Pacific States, Del Monte, Cal.
- May 8-9—Ohio sales congress, Akron.
- May 9—Washington, D. C., sales congress.
- May 9, New York Sales Congress, Chancellor Hotel, Albany.
- May 9—Tennessee sales congress, Chattanooga.
- May 10, Harrisburg, Pa., Sales Congress.
- June 12-13, Missouri Association of Life Underwriters, St. Louis.
- May 15-16, Southern Round Table, Life Advertisers Association, Dallas, Baker Hotel.
- May 15-16, Actuarial Society of America, New York, Waldorf-Astoria.
- May 22-23, West Virginia Congress, Huntington.
- May 26, Midwest Management Conference, Indianapolis, Indianapolis Athletic Club.
- May 26-27, Association of Life Insurance Counsel, White Sulphur Springs, W. Va., Greenbrier Hotel.
- May 28-30—Industrial Insurers Conference, Richmond, John Marshall Hotel.
- May 29-30—Canadian Life Officers Association, Toronto, Royal York Hotel.
- June 2-4—Home Office Life Underwriters, Toronto.
- June 2-4, Texas Life Underwriters Sales Congress, Beaumont.
- June 3-4—Pennsylvania Insurance Days, Bethlehem, Bethlehem Hotel.
- June 3-5—Health & Accident Underwriters Conference, Chicago, Edgewater Beach Hotel.
- June 5-6—Wisconsin Association of Life Underwriters, Eau Claire.
- June 5-6, American Institute of Actuaries, Toronto, Royal York Hotel.
- June 6, New Jersey States Sales Congress, Berkely-Carteret Hotel, Asbury Park.
- June 6-7—Iowa Association of Life Underwriters, Cedar Rapids.
- June 9-11—National Association of Insurance Commissioners, Detroit, Statler Hotel.
- June 17-19, Medical Section, American Life Convention, Hot Springs, Va., Homestead.
- June 23-25—National A. & H. Association, Los Angeles.
- July 14-25, American Life Convention, Life Officers Investment Seminar, Indiana University, Bloomington.
- June 24-27, National Negro Insurance Association, Savannah, Ga.
- July 28-30, Federation of Insurance Counsel, Saranac Inn, N. Y.
- Sept. 3-5, International Association of Insurance Counsel, White Sulphur Springs, W. Va., Greenbrier hotel.
- Sept. 8-10—International Claim Association, Atlantic City, Ambassador Hotel.
- Sept. 15-19—National Association of Life Underwriters, Cincinnati, Gibson Hotel.
- Sept. 22-25, National Fraternal Congress, San Francisco, St. Francis hotel.
- Sept. 25-27—Institute of Home Office Underwriters, Chicago, Edgewater Beach Hotel.
- Sept. 29-Oct. 1—Life Office Management Association, Netherland Plaza, Cincinnati.
- Oct. 6-9, American Life Convention, Edgewater Beach Hotel, Chicago.
- November 3-5, Life Insurance Sales Research Bureau and Association of Life Agency Officers joint meeting, Toronto, Royal York Hotel.

Metropolitan 50-Year Man Retires

Charles D. Henry, cashier for Metropolitan Life at Woodhaven, L. I., has retired after more than a half century with the company. With the exception of Chairman F. H. Ecker, who has been associated with the company 58 years, he has the longest service among the company's personnel. He will receive a life income proportioned to his earnings and length of service. Mr. Henry joined Metropolitan in 1890, and was assigned to district office in Long Island City, and subsequently served in various other district offices in New York and Brooklyn. He has been cashier at Woodhaven since 1926, and a son is cashier in one of the offices.

Langford Made District Manager

The Reliance Life has appointed L. L. Langford of Jonesboro, Ark., district manager for Craighead and surrounding counties. He will operate from Memphis headquarters.

VIEWED FROM NEW YORK

By R. B. MITCHELL

HARVEY OPENS N. Y. OFFICE

Thomas D. Harvey, "millionaire" agent of the Heifetz agency of Mutual Life of New York in Chicago, who recently closed the great Walgreen pension trust case involving about 12,000 employees throughout the country, has opened a New York office where hereafter he will spend most of his time. His pension trust business has developed to a point where the New York office is required, there being a number of pension trust deals pending there.



T. D. HARVEY

Mr. Harvey expects to spend the last week in each month at the Chicago office and the remainder of the time in New York. He has quarters in the Mutual Life agency of Harold Taylor, 521 Fifth Avenue, New York. Mr. Taylor is a life member of the Million Dollar Round Table. Mr. Harvey felt the close association with a successful agency would be preferable to the separate office which he had contemplated opening.

His statistician in Chicago, Irving Wolf, will be stationed permanently in New York.

The Walgreen case, Mr. Harvey stated, would require years to service and for this reason alone his Chicago office must be maintained. He also has many other pension trust prospects in the Chicago territory.

GARDINER HAS BIG INCREASE

The Harry Gardiner agency of John Hancock Mutual Life, New York City, reports a 91 percent increase for the first quarter in 1941 over the same period last year. Ordinary business is ahead by \$1,000,000, an increase of 84 per cent. The agency is now settled in its recently renovated office space.

JONES TO ADDRESS C.L.U.'S

Vice-president Frank L. Jones of Equitable Society will address the May 6 luncheon meeting of the New York City C.L.U. chapter on "Life Insurance and Government." The meeting will be at the Hotel Martinique. Plans are progressing satisfactorily for the chapter's seminar and banquet celebrating its tenth anniversary, which will be held at the Waldorf-Astoria June 5.

BURR & THOMAS AGENCY LEADS

The Burr & Thomas agency of Fidelity Mutual Life, New York City, which at the end of 1940 was not listed among the leading agencies, is now in first position. New paid premium volume for the first three months of 1941 is 300 percent ahead of the same period last year. The agency force now numbers 20, an increase of 10 agents in the past few months. The Burr & Thomas agency is general agent for greater New York and northern New Jersey. Miss Bertha Lohwed is not only the leading producer for the agency but also is leading the company roster. She has been with Fidelity Mutual Life 17 years, this being her only insurance connection.

CANADA LIFE IN NEW QUARTERS

The metropolitan New York branch office of Canada Life, which was estab-

JEFFERSON STANDARD

The Quality-Minded Company

Quality Selection

Quality Training

Quality Merchandising

Quality Business

AGGRESSIVE
and PROGRESSIVE

JEFFERSON STANDARD LIFE INSURANCE CO.

JULIAN PRICE, President GREENSBORO, N. C.

May 2, 1941

lished in 1926, has moved into new offices at 55 Liberty street, occupying the entire 17th floor. H. F. Underwood is the manager, having taken the position a little over a year ago. The branch is undertaking an expansion program. A recent addition to the staff, John MacIsaac, is a brother of R. G. MacIsaac, who is connected with the central Toronto branch. The latter has been with the company for only six months, but in that time has established an all-time high premium volume record for new agents.

HOLGAR JOHNSON TO SPEAK

Holgar J. Johnson, president of the Institute of Life Insurance, will be the speaker at the May 13 luncheon meeting of the New York City Life Underwriters Association at Hotel Pennsylvania. Except for the business meeting to be held June 12 this will be the last meeting of President Lloyd Patterson's administration. Following Mr. Johnson's talk amendments to the constitution and by-laws will be voted on.

BROOKLYN SUPERVISORS TO MEET

The Brooklyn Life Supervisors Association will meet May 13 at 12:30 p. m. at the Hotel Bossert. Suggested changes in the by-laws will be voted on.

POLICIES

Issues New Type of Mortgage Policy

A new plan of insurance on the life of a borrower building or buying a home through a building and loan association has been devised by Old Republic Credit Life, Chicago. It differs considerably from ideas along this line that have been used in the past.

The coverage consists of a five year policy of an amount equal to 15 percent of the loan, according to N. A. Nelson, Jr., secretary of the company. The premium is 1 percent of the loan, and is added to it. It is optional, and can be employed for existing loans as well as made a part of new ones. If the loan is repaid before the insurance expires, coverage can be terminated and unearned premium refunded. In case the amount of insurance exceeds the loan at the time of borrower's death, the difference goes to the beneficiary or estate. No medical examination is required if borrower is under 55, and there is no restriction as to race, sex, or occupation. There is always a certain amount of selection of applicant by the association before approval of a loan. The borrower may apply for another five year policy at the expiration of the first.

For years insurance companies have sought to work out a satisfactory plan for insuring loans through building and loan units and other mortgage institutions. Difficulties have been: Too high a cost to borrower; necessity for periodic collections, which was a nuisance to lender and led too frequently to lapsation by borrower; too complicated a procedure, with the details of usual forms, medical examinations, etc., for the lending company to handle readily. Less than 10 percent of borrowers over the country, it is estimated, carry specific life protection covering their loans.

Under this plan, lender and borrower each gets a policy, a single sheet. Borrower and spouse fill out a simple authorization slip, which is forwarded to the insurer and the policies issued. The association keeps a schedule of applications on a form provided by the company, and settles for premiums once a month. Commission is 10 percent. Most associations have general brokerage licenses.

Coverage of 15 percent of the loan provides for 15 to 18 payments in case of borrower's death, which gives the family time to adjust itself, either by finding some other means of meeting

payments, or effecting an orderly liquidation of the property. Financial men say the first five years are the critical period of a loan, particularly now that the FHA has stimulated "high percentage" loans over longer than usual periods. After five years the borrower has enough equity that he tries to hang on to the property.

Occidental of California Brings Out New Forms

Three new contracts were announced by Occidental Life of Los Angeles. A family protection plan provides \$10 monthly income from date of death to the time when the insured would have attained age 65, and \$1,000 cash paid at that time. The "income replacement" is similar except there is no lump sum payment at the end of the period.

A deferred survivorship annuity provides a life income for the beneficiary commencing five or 10 years after death of the insured. Thus, if policy proceeds are sufficient to care for the beneficiary for only 10 years, this annuity may be added to take care of the beneficiary after that time. Premiums depend on the ages of both insured and beneficiary.

Premium rates required to provide \$10 monthly income on these three plans are shown below, the deferred survivorship premiums quoted being for an insured and beneficiary of the same age:

Age	Family Protec.	Income Replace.	Deferred Survivorship Annuity
20.....	\$23.85	\$19.61	\$10.90
25.....	24.32	20.19	11.95
26.....	24.42	20.32	12.18
27.....	24.55	20.49	12.42
28.....	24.68	20.67	12.68
29.....	24.83	20.84	12.94
30.....	24.98	21.04	13.21
31.....	25.15	21.24	13.49
32.....	25.31	21.46	13.78
33.....	25.50	21.68	14.09
34.....	25.69	21.91	14.40
35.....	25.91	22.13	14.73
36.....	26.30	22.37	15.06
37.....	26.86	22.60	15.41
38.....	27.48	22.82	15.77
39.....	28.16	23.06	16.14
40.....	28.91	23.27	16.52
41.....	29.76	23.47	16.92
42.....	30.72	23.66	17.32
43.....	31.73	23.80	17.73
44.....	32.71	23.93	18.15
45.....	33.51	24.00	18.58
50.....	36.99	24.00	20.83
55.....	40.80	.....	23.09
60.....	.....	.....	25.05

Sun Life of Canada Has Three New Policy Plans

Sun Life of Canada announced three new participating plans, which are ordinary life with premiums reduced during the first five years; 20 year term, and term to age 65. The ordinary life premium reduction is issued in amounts of \$2,500 and upward. At the end of five years the premium increases approximately 65 percent and is then equal to the regular ordinary life rate at an age two or three years younger than the attained age at that time. Illustrative premium rates are:

Age	Ord. Life, 5 Yr. Prem. Reduction 1st 5 Years	Thereafter	20 Yr. Term	Term to Age 65
15.....	\$11.25	\$18.00	.....	.....
20.....	12.35	20.10	\$ 9.80	\$13.25
25.....	13.75	22.75	10.75	14.40
26.....	14.10	23.35	10.95	14.65
27.....	14.45	23.95	11.25	14.95
28.....	14.85	24.65	11.50	15.25
29.....	15.25	25.35	11.80	15.55
30.....	15.65	26.05	12.15	15.85
31.....	16.10	26.80	12.50	16.20
32.....	16.55	27.60	12.90	16.55
33.....	17.05	28.45	13.35	16.90
34.....	17.55	29.35	13.85	17.30
35.....	18.10	30.30	14.35	17.70
36.....	18.70	31.30	15.00	18.15
37.....	19.35	32.30	15.65	18.70
38.....	20.05	33.40	16.45	19.25
39.....	20.75	34.55	17.25	19.80
40.....	21.50	35.80	18.15	20.40
45.....	26.15	43.00	23.90	23.90
50.....	32.65	52.50	32.60	28.35
55.....	41.80	65.30	.....	.....
60.....	54.95	82.75	.....	.....

A. A. Rowland, Dallas manager of the Life of Virginia for five years has resigned to enter government defense work and will be superintendent of a munitions plant in the middle west. He has been in life insurance 10 years.

NOW IN OUR 75th YEAR

A milestone at which we are grateful for the steadfast confidence and good will that mark day-by-day relations between policyholders, field force and home office staff.

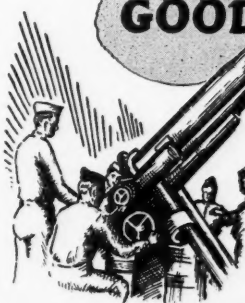
An anniversary in which we are striving to be worthy of continued leadership as one of America's oldest and strongest life insurance companies.



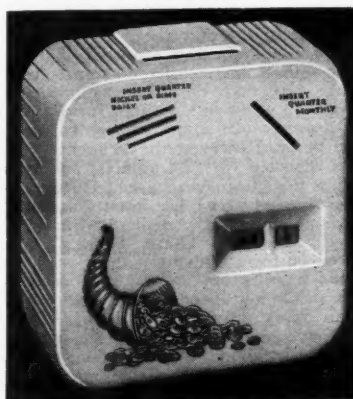
EQUITABLE LIFE of IOWA

HOME OFFICE • DES MOINES

GIVE THEM
GOOD AMMUNITION...



AND YOUR MEN ON THE
FIRING LINE WILL GAIN
THEIR SALES OBJECTIVES!



The "Tri-Coin" Calendar Bank is attractive... foolproof. Operates with either quarter... dime... nickel. Dignified presentation of your emblem or insignia. Companies now using the "Tri-Coin" Calendar Bank have none but the highest praise for its business-getting ability. Investigate. Write today for details.

M. A. GERETT CORP.,—Dept. MG-5
2947 North 30th St., Milwaukee, Wis.

Please send details and literature regarding the "Tri-Coin" Calendar Bank as soon as possible.

Name
Company
Address
City State

FILL IN AND MAIL TO
M. A. GERETT CORP.
Milwaukee Wisconsin

NEWS OF LIFE ASSOCIATIONS

Probate Judge Lauds Insurance

Provision for the payment of estate taxes and expenses incidental to the probating of an estate rather than tax evasion is the rule in modern estate procedure, Probate Judge S. N. Chambers of Marion county told those attending the luncheon meeting of the Indianapolis Association of Life Underwriters.

Oren D. Pritchard presided, Jean Black was program chairman, and James L. Rainey introduced the speaker.

"Tax evasion has gone out of the estate transfer picture," said Judge Chambers. "Estate and inheritance tax laws have been revised gradually over a period of years until there are no longer avenues by which taxes on appreciable portions of estates can be avoided. The modern method is to provide for taxes and estate administration costs by means of adequate life insurance. This method is fair to the builders of an estate, the heirs, and the governmental units."

"Ready cash is a necessity in an estate to carry out bequests, liquidate an estate promptly, and at a minimum of expense. By far the most preferable source of such ready cash is life insurance. It provides this ready cash exactly when needed. If death occurs in earlier years, the life insurance estate completes the uncompleted job of estate building. If death comes late in life, the life insurance accumulated gradually for estate protection purposes is a good investment. It is often, in probate court experience, the only portion of an estate that is transferred at par, to the heirs or to pay estate expenses."

"The purpose of life insurance for estate protection purposes is also to cooperate with governmental taxing units, federal, state, or local, in prompt payment of taxes and estate administration expenses."

The probating and distribution of an estate, he said, requires at best a considerable time. But, time and expense are saved, and litigation avoided when estate matters are handled in an orderly manner before the death of the owner, be it large or small. There should be a carefully drawn will, kept up to date, and proper records to aid in estate administration.

Congress at Louisville May 16 Offers Fine Program

Program of the annual sales congress of the Louisville Association of Life Underwriters May 16 has been completed by J. K. Taylor, Equitable Society, president of the group.

C. T. Davies, retired Wyomissing, Pa., capitalist, will be the principal speaker

O. O. Orr Donates Trophy for Association Service

SAN FRANCISCO—O. O. Orr, former manager of the Prudential in San Francisco, recently retired, who has been a member of the San Francisco Life Underwriters Association for 30 years, has presented the association a handsome trophy to be known as the "O. O. Orr Trophy," which will be awarded annually at the discretion of the board of directors for outstanding association service. With the trophy will go annually an award of \$50.

This year the directors have decided to make the award for membership effort and it was announced that the agent association member securing the largest number of memberships between Jan. 1 and June 30, 1941, will receive the trophy with his name engraved thereon. The \$50 award is to be split two ways—a first prize of \$35 and a second prize of \$15.

at a joint luncheon with members of the Louisville Board of Trade. Commonwealth Life of Louisville will be host.

At the morning session W. H. Van Sickler, general agent State Mutual Life, St. Louis, will talk on "What's in a Policy"; H. P. Winter, assistant superintendent of agencies of Union Central Life, "Let's Hit the Jackpot," and G. H. Schumacher, Massachusetts Mutual Life, Cleveland, "Programming."

In the afternoon Paul Troth, supervisor of publicity for Home Life of New York, will present "Ideas That Click," illustrating his remarks with cartoons drawn as he speaks. The congress will close with the playlet, "The Trial of John Q. Agent," directed by Marshall Roberts, manager Kentucky department of Reliance Life, and Mrs. Roberts.

Paul Clark Stresses Value of Life Insurance in Present Defense Program

Paul F. Clark, vice-president John Hancock, Boston, speaking before 250 at a luncheon of the Holyoke (Mass.) Life Underwriters Association, emphasized the value of life insurance in the present defense program. The protective value of life insurance offered to the individual is of very great importance now that the greatest industrial effort ever made by any nation at any time is getting under way. In this effort, civilians will play the principal part rather than the army and production is to go through under a very high wage scale, nearly the highest known. This great creative effort will in some places also bring special hazards to working men, increased mortality due to emergencies. Some of the effects are already to be seen.

Aids Government Financing

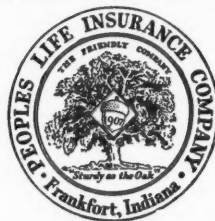
In addition to its service to individuals, Mr. Clark pointed out that the record of life insurance in helping to provide funds for government financing is likely to be far more than duplicated in the present defense effort. Through their companies, policyholders will have invested in national defense by June, 1941, about \$5,550,000,000 and possibly by June, 1942, \$10,500,000,000.

He warned agents against becoming bewildered by day-to-day developments in life insurance, since fundamental conditions are present for a rapid expansion of production. Bewilderment very often leads to defeatism and the basic outlook for life insurance for the immediate future does not warrant pessimism. As there is more need today for life insurance than ever before, there is likewise richer opportunity for the life salesman. In spite of all the adverse criticism of life insurance, 1940 was a great production year.

Situation in England Told

Mr. Clark said he had heard recently from one of the officials of the Prudential of England, who reported that its home office had suffered some from bombs but that the business is being carried on elsewhere without serious difficulties because triplicate records had been made. However, the Prudential official reported that the greatest sufferers among the life insurance fraternity have been the industrial life agents, who in England own their debits, which are called "books." These "books" are passed on from father to son or are sold in the agent's old age to provide him with an old age income. They are often worth many thousands of dollars. Not only have many of the agents lost their current livelihood because their territorial "books" have been obliterated but this means likewise that they have lost their life savings. He contrasted their plight with the outlook facing agents in the United States.

James A. Sullivan, president of the Holyoke Life Underwriters Association, presided. Mr. Sullivan is assistant manager of the John Hancock Mutual



BIG BUSINESS

A term rather frightening because of the imminence implied, but the Big Business of Life Insurance is the friendly cooperation of millions of Americans banded together to protect the essential factors of human nature—the instinct of each for self-preservation, protection of loved ones, desire of possession and for the betterment of life.

The business of Life Insurance is a Big Business—a Great Business, for today there are sixty-five million Americans sharing that business.

The Big Business of Life Insurance forms the very heart and soul of our people. You will find it pays to be friendly with a substantial member of the family of Big Business—

PEOPLES LIFE INSURANCE CO.

FRANKFORT

"The Friendly Company"

INDIANA

THE ULTIMATE FUNCTION

of any life insurance company is the prompt, courteous settlement of claims. We shall be pleased to have you compare our record of claim payment, for a third of a century, with any other which for that long has been excellent.



BANKERS MUTUAL LIFE CO.

FREEPORT, ILLINOIS

Founded in 1907

Life Insurance Company in Holyoke. Mr. Clark appeared before the Holyoke Association at the special invitation of T. F. King, John Hancock manager in Holyoke and the first president of the Holyoke Association. Mr. King introduced Mr. Clark.

George Smith of the Connecticut Mutual home office will speak May 21.

Missouri Sets Up Program for Meeting and Congress

KANSAS CITY—Plans for the annual convention and sales congress of the Missouri Association of Life Underwriters in St. Louis June 12-13 have been announced by the convention committee: P. C. French, general agent, New York Life, president of the association; and P. B. Turner, general agent, Home Life of New York, here, vice-president; Frank Vesser, midwest manager of Reliance Life; and Wellborn Estes, Aetna Life, president, St. Louis Life Underwriters Association.

The first morning and early afternoon will be devoted to conferences of general agents and managers, in charge of Mr. Vesser. The annual business meeting will be held the first day, under Mr. French.

The sales congress will be on the second day, with Mr. Turner in charge. Among the speakers will be C. O. Fischer, vice-president Massachusetts Mutual Life; R. W. Hoyer, general agent John Hancock Mutual, Columbus, O.; W. N. Hiller, Penn Mutual Life, Chicago; Lorraine W. Blair of the C. J. Zimmerman agency, Connecticut Mutual Life, Chicago; and Herbert A. Hedges, Kansas City general agent Equitable Life of Iowa.

Entertainment feature will be a trip on "The Admiral" down the Mississippi, Thursday afternoon.

Successful Sales Congress Is Staged in New Orleans

NEW ORLEANS—At the annual sales congress of the New Orleans Association of Life Underwriters, President Ferguson Colcock, Travelers, and J. S. Watters, Occidental Life, chairman sales congress committee, presided. Speakers were: W. E. Barton, president C. B. Knight Agency, Union Central, New York, and treasurer of the National association; Ross Trump, Tulane University, "Merchandising Life Insurance," R. H. Hester, Pan-American Life, Jackson, Miss., president Mississippi association, "Organizing Your Sales Presentation," V. B. Coffin, vice-president and superintendent of agencies Connecticut Mutual Life, "Sensible Selling in 1941."

Mrs. Eunice C. Busch, Mutual Life, and Mrs. Leita A. McCain, Lincoln National, Baton Rouge, demonstrated how to solve the problems peculiar to selling life insurance to women. Mrs. Busch acting as salesman, while Mrs. McCain took the role of the prospective buyer.

Frank Friedler, Home Life, president of the Life Managers Association of New Orleans, introduced leading producers of the various agencies and presented them trophies.

Adam Rosenthal Honored

Directors of the Life Underwriters Association of St. Louis and the members of the St. Louis General Agents & Managers Association, held a testimonial luncheon for Adam Rosenthal, past president St. Louis association who has been appointed manager there by the Acacia Mutual.

James G. Callahan, Metropolitan Life, past-president of both the local and state associations, presided. Speakers included Wellborn Estes, Aetna Life, president of the St. Louis association; Fred T. Rench, National Life of Vermont, immediate past-president; William Van Sickler, State Mutual Life, president St. Louis General Agents & Managers; Frank Vesser, Reliance Life,

national committeeman, and Lester Becker, Lincoln National, vice-president St. Louis association.

Mr. Rosenthal has served the St. Louis association in many important capacities and was presented with a scroll signed by the outstanding St. Louis insurance men.

Plans for Minn. Entertainment

DULUTH, MINN.—Golf and deep sea fishing in Lake Superior will be added attractions at the annual meeting of the Minnesota Life Underwriters Association at Duluth June 13. A business session will be held in the morning, followed by a luncheon and at least one speaker in the afternoon.

At the conclusion of the program the members will have their choice of playing golf or doing some fishing far out in Lake Superior. President William Halverson of the Duluth association, J. D. Serrill, Minneapolis, and Hiram Moore, St. Paul, are making the arrangements.

Sheboygan, Wis.—H. B. Wells, Mutual Life of New York, Milwaukee, president Wisconsin association, spoke on the value and advantages of organization with particular reference to the national, state and local associations. W. E. Riggs, Milwaukee manager of Mutual Life, accompanied Mr. Wells. Attendance at the annual meeting and sales congress of the Wisconsin association at Eau Claire June 5-6 was urged.

Topeka—Ray T. Wright, who has made an outstanding record with Provident Mutual Life at Lawrence, Kan., was the speaker on "Building Permanent Clients."

Nashville, Tenn.—Kenneth R. Miller, superintendent of agencies of Atlantic Life, spoke on "Little Things That Make Great Salesmen."

Jackson, Tenn.—H. W. Hicks, cashier First National Bank, spoke on "Insurance as a Banker Sees It."

Seattle—W. F. Winterble, director of agencies Bankers Life of Iowa, spoke on "Our Job," outlining the life insurance institution's place in the changing national picture.

Lincoln, Neb.—Rev. Roland B. Snuffer, Wichita, Kan., spoke on "The Man With Three Eyes." These, he said, are intelligence, integrity and interest—important for all insurance men and providing the basis for the right attitude toward business.

Austin, Tex.—"Life insurance has resulted in a practical application of the new deal philosophy that spending makes for prosperity," J. C. Leissler, editor of "Southwest Insurer," said. When a man knows that his family's future is cared for, he said, he is freer with his spending. For this reason every business in the United States holds a tremendous debt to life insurance. Mr. Leissler stated that it was no coincidence that in the United States, the most insured nation in the world, the standard of living is higher than that of any other country.

California—President George H. Page and Roy Ray Roberts, trustee of the National association, are continuing their tour of local associations. Following meetings at San Jose, Stockton and Fresno, they visited the Santa Barbara-Ventura Counties association April 24, and the San Bernardino-Riverside association April 29, and on May 8 will talk in Long Beach.

Philadelphia—A playlet starring "John Q. Agent" was presented. It was written and directed by C. H. Orr, general agent National Life of Vermont. The cast consisted of Eleanor Beetem, Penn Mutual; P. B. Banks, Equitable Society; Jordan Gauthier, Reliance Life, and A. F. Mason, Equitable of Iowa.

Boston—A "Quiz of Two Cities" will be held over station WNAC the afternoon of May 4, between a Boston quartet and another foursome from Providence, R. I., in a two-way broadcast. The Bostonians who will take part are John L. Allen, John Hancock; Miss Bernice Cunningham, Equitable; Ralph Sanborn, Connecticut Mutual, and Miss Jane Lyons, New York Life.

Hutchinson, Kan.—In a membership campaign just completed membership was brought to a new high. R. G. Cunningham, Metropolitan Life, manager in Wichita, stated at a membership meeting that "a man who is too small to belong to the life underwriters association is too small to be in the insurance business."

Coffeyville, Kan.—A joint meeting was held with the Independence association.

81 YEARS OF SERVICE

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA NEW YORK CITY



A MUTUAL COMPANY
ESTABLISHED 1860

SHORT CUT TO MORE BUSINESS!

With Calometer New DIRECT MAIL PLAN

ANSWERING
the popular demand for MORE CAL-
EMETER Direct Mail PROSPECTING
AIDS—we present a Bigger, Better,
more diversified variety of thoroughly
tested sales helps—applicable to all
types of prospects and life insurance
plans. Your short cut to a steady
flow of profitable interviews and sales.

**Get This New Portfolio—
"MORE BUSINESS"**

It contains a wealth of sales-getting ideas
and the following prestige building direct
mail aids: (1) Visual Selling Letterhead;
(2) Series of suggested Sales Letters; (3)
Endless Chain Prospecting Cards; (4) Edu-
cational Plan Folder; (5) Sunrise of In-
come "Pop-Up" Folder; (6) "Million
Dollar" sales talks and selling plans.
Vividly illustrated with attention arrest-
ing, motivating pictures that tell and sell
specific needs and the programming idea
of life insurance. Focused around Cal-
ometer and the easy, up-to-date, Coin-
A-Day way of building up an adequate
insurance program.

SPECIAL OFFER—SEND TODAY
The complete portfolio—"MORE
BUSINESS" is sent to you without cost
with your sample order for one
ESTATER CALOMETER BANK at the
special sample price.
Postpaid..... **\$1.00**

For the portfolio itself, send 25c in coin
or stamps.

HOME OFFICE EXECUTIVES, Man-
agers: Write for our cooperative plan that
saves money for your agents.

**Speed Up Your Prospecting!
Increase Your Sales and Earnings!
with this Proven Successful
Combination of
CALEMETER and DIRECT MAIL**

**A Coin-A-Day
Keeps the Calendar
Up-to-Date**

ZELL PRODUCTS CORP. 536 BROADWAY, NEW YORK, N. Y.

Prof. Harry Jordan of the Coffeyville Junior College spoke on "Recent Pan-Americanism." H. A. Hedges, Kansas City, has been endorsed for secretary of the National association.

Boston—Lawrence E. Simon, general agent Massachusetts Mutual Life in New York, will speak May 13.

Fort Wayne, Ind.—A. R. Jaqua, associate editor of Diamond Life Bulletins, spoke at the April meeting.

Kenneth Robinson, Ralph Woodring and Paul Southern were named in charge of a new C. L. U. class to begin early in May. The annual picnic and election will be held in June.

Jackson, Tenn.—The association has begun its annual membership drive. Hugh W. Hicks, local banker, declared the present-day agent must be able to counsel policyholders on every type of investment.

Chicago—Many activities are scheduled for May. The advisory council will meet May 6, life agency supervisors May 8, women's division May 13, sales clinic May 15, Life Insurance Trust Council May 21 and group supervisors division May 26. N. H. Seefurth will address the clinic on pension trust cases with a supporting staff of experts including J. O. Todd, K. H. Nickell, Louis Behr and H. J. Zimmerman of Chicago Title & Trust Company. A feature of the clinic is the offer of \$1 to association members and free admission to the clinic meeting for questions that are submitted and accepted for answering by the staff of experts. Helen Summy, Equitable Society, St. Joseph, Mo., life member Women's Quarter Million Dollar Round Table, will speak at the women's division meeting and Bessie M. Dixon, Houze agency John Hancock, chairman, will preside.

Dallas—When life insurance is viewed from the angle, not of avoiding tax and other obligations, but of meeting them, then it should be easier to sell, Denis B. Maduro, general counsel New York City Life Underwriters Association, pointed out at an all-day educational program sponsored by the Dallas association.

Mr. Maduro talked at three sessions on the methods of using life insurance to meet problems of wills, pensions, trusts and taxation. He spoke at a similar program in Houston. A nominating committee was named to report at the annual meeting May 30. Grant Taggart, Cowley, Wyo., secretary National Association of Life Underwriters, will speak.

Springfield, Mass.—Frank L. McFarlane, Aetna Life star from Cleveland, will speak Monday.

LEGISLATION

Oklahoma Premium Tax Is Increased from 2 to 4%

OKLAHOMA CITY—Oklahoma's 2 per cent general premium tax on foreign companies has been doubled to 4 per cent under tax legislation signed last week by the governor. This is larger than the tax imposed on companies by any other state. Only three states charge less than 2 per cent; 24 get 2, and 15 get from 2 to 3 per cent. Texas has a 3.25 per cent tax, which may be reduced by investments in Texas securities.

The Oklahoma tax is after cancellations and dividends to policyholders. With the \$3 annual fee on each agent in the state, the tax is "in lieu of all other taxes or fees and the taxes and fees of any subdivision or municipality." The law is effective immediately.

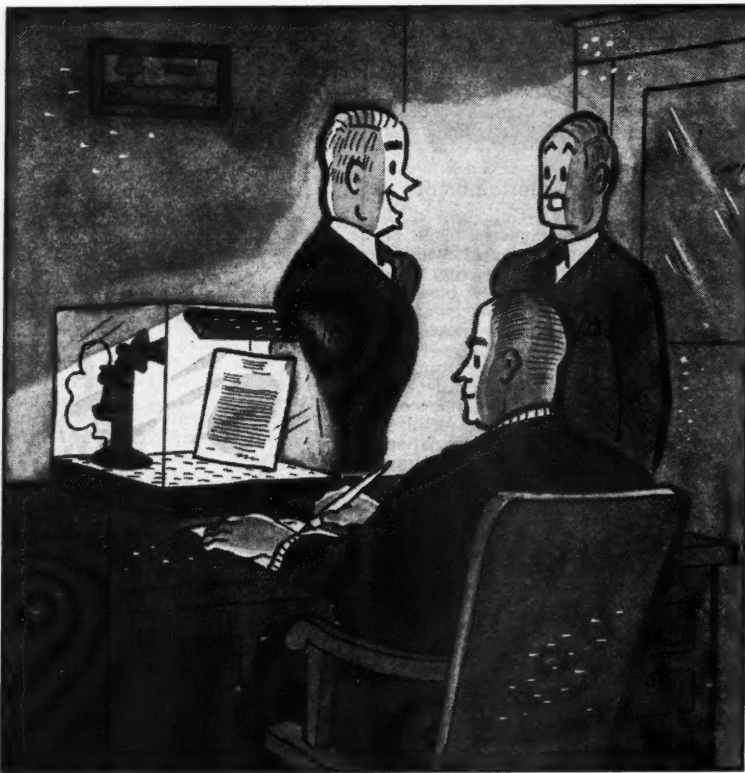
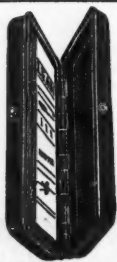
The bill to bring aviation risks within the operation of the incontestable

Steel Policy Box

Permanent Policy Container

Heavy Steel. Size 11 1/2 x 5 1/2 x 2 1/4. Finished in Black Enamel. Advertisement in gold on top of box. Each in carton, with two keys. Lots of 25-50 or 100 \$2c ea. A silent salesman that will last a lifetime.

PATENT NOVELTY CO.
Fulton, Illinois



"Shows you how grateful he is for what the pre-approach letter and telephone have done for him."

statute was rescued from the legislative jam and given a preferred status that will reasonably insure consideration within a week.

Bills providing for a change in the procedure for the reinsurance, mergers or consolidations of domestic companies and for curbing unlicensed companies, have been killed.

Texas—A 25 percent boost in all insurance taxes this week was added to the \$25,000,000 omnibus tax bill to raise revenue for the social security program.

The basic tax rate on domestic life companies was increased .5 percent to .625 percent, while the rate on foreign life companies was boosted from 3.75 percent to 4.65 percent.

Nebraska—A bill increasing the salary of the insurance director from \$3,200 to \$4,500 a year has been passed. It was recommended by the governor.

Ohio State Life Shows Gains

Ohio State Life's insurance in force March 31 was \$104,677,941, admitted assets \$22,737,127, income for the quarter \$1,184,150; all new high records. Gains were \$427,843 in insurance in force; \$346,336 in assets and \$145,487 in income. New paid for business was \$2,379,722, \$290,234 more than in the first quarter of 1940.



No. 763—Contains 8 assorted manila envelopes.
Each \$1.50
Lots of 6 Each 1.35
Lots of 12 Each 1.25

C. L. U.

Penn Mutual C. L. U. Elects

Penn Mutual Life's C.L.U. chapter elected new officers at the Del Monte, Calif., conference. New president is E. L. Reiley, president of the Philadelphia Association of Life Underwriters, who after July 1 will be general agent at Rockefeller Center, New York. Vice-president is F. G. Stull, Philadelphia, and secretary-treasurer, J. E. Way, Stumes & Loeb agency, Chicago.

Travelers C. L. U.'s Organize

Travelers agents who have the C. L. U. designation have now formed an organization known as National Chapter of Travelers C. L. U.'s. Stewart A. Cushman of the Bartholomay-Clarkson & Co. agency of Chicago is president; Douglas S. Perry, district group supervisor of Travelers in Boston, is vice-president; and William G. Pierce of the F. G. Pierce agency of Philadelphia is secretary.

Mr. Cushman qualified as a C.L.U. in 1930. He was one of the organizers of the Chicago chapter and was its president. He helped to form the first C.L.U.

BOOM YOUR SALES

With This Prestige Wallet

New London Tan Gen. Cowhide Leather Zipper Case

Contains 5 Transparent Jackets and Program Card

Used Successfully by Leading Underwriters

- Attractive!
- Practical!
- Low in Price!

Send \$2.00 for Prepaid Sample Wallet

No. 773—Contains 5 transparent envelopes.
Lots of 6 Each \$1.85
Lots of 12 Each 1.75

MODERN SALES AIDS
189 W. MADISON ST. CHICAGO

course at Chicago and was an instructor of business law in it for a time. He is in charge of the life department of Bartholomay & Clarkson.

Travelers now has 44 agents who have passed the C.L.U. examinations, not all having received the designation.

Rap Solicitation of Draftees

The Los Angeles C. L. U. chapter adopted a resolution scoring the reported solicitation of life insurance from draft selectees in connection with their induction into the service, taking a stand similar to that of the National Association of Life Underwriters.

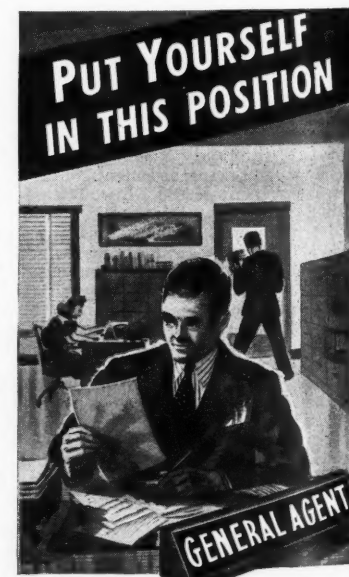
Dr. J. P. Williams of the American College, paid tribute to the late John Newton Russell, one of the founders and a trustee of the college, and told of the difficulty experienced in securing trained men who can instruct college and university classes. He said, however, that progress is being made. He told of the changes in the C. L. U. courses of study and what the National chapter hopes to accomplish by these changes. He said the "nomination" method of securing C. L. U. candidates that was instituted and is being used by the Los Angeles chapter has been adopted by other chapters and is proving satisfactory.

Discuss Life Courses in Utah

SALT LAKE CITY—The April meeting of the Utah Life Managers' Association was addressed by Dr. I. O. Horsfall, extension division director of Utah University, who discussed plans for the introduction of life insurance courses in institutions of learning throughout the state. A committee, headed by C. R. Marcusen, was appointed to find out the possibilities of introducing the same subject into the public schools.

Aides Give Dinner to Harrington

BOSTON—The 100 or more employees of the Massachusetts department tendered a congratulatory dinner to Commissioner Harrington on his reappointment. W. V. Gormley, secretary to the commissioner, was toastmaster and presented him an easy chair, a gift from his office force.



How would you like to be a General Agent? American United Life is rapidly establishing new agencies in small and medium sized towns. If you're interested in building a business all your own and have ambition to become a general agent operating directly under home office supervision—

Address Dept. NU-541

AMERICAN UNITED LIFE INS. CO.
INDIANAPOLIS, INDIANA

May 2, 1941

New Light Thrown on Picking Salesmen

(CONTINUED FROM PAGE 1)

Public Relations



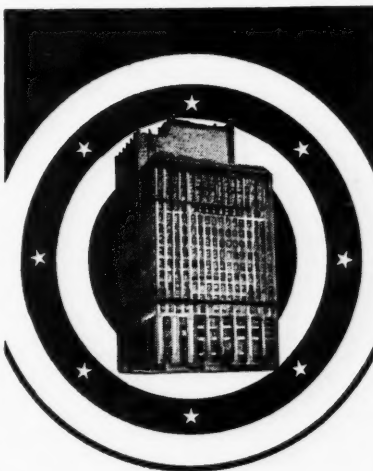
H. W. FOSKETT

At the special meeting of the Life Office Management Association in New York this week, H. W. Foskett, assistant vice-president Equitable Life of Iowa, had an important paper on "The Public Relations Aspect of Investment Activities."

looks as though it might be useful or even one which has been successfully employed by another firm seldom if ever produces results predicting success in selling, he said.

Summer Study by K. C. Group

KANSAS CITY—The General Agents & Managers Association will continue monthly sessions through the summer. A discussion leader at each meeting will take up various phases of "Agency Management and Control."



**General Agency
OPPORTUNITIES
for good personal
producers**

**Central Life
INSURANCE COMPANY
of Illinois**

ALFRED MacARTHUR, PRESIDENT
211 WEST WACKER DRIVE, CHICAGO

would not have come to the company's school where the tests were given. Most of them were thinking of themselves as future salesmen and therefore in filling out the test they subconsciously attributed to themselves the traits that they believed they should have or were acquiring, whether or not they had them.

"Dominant" But Bashful

For example a lad who scored extremely high on dominance, self-sufficiency, emotional stability and the like was actually so bashful that when he went to Dr. Bills to talk about the test he was almost unable to go through the gate into her office. He confessed to her that he had been somewhat diffident in the past but said he was "progressing" and had filled out the test as "where he was progressing to." It was found that there was no way of detecting the difference between those who were subconsciously bluffing and those who were not and this particular test was abandoned.

Dr. M. S. Viteles, director of personnel research and training, Philadelphia Electric Company, said that there is every reason to believe that the right kinds of psychological procedures, properly used, can prove very effective instruments for getting results and testing sales ability but that scientific scrutiny and control of these instruments, which like drugs, have their dangerous as well as helpful possibilities, is badly needed. He warned that sales managers should be skeptical of any tests for which great claims are made and to insist that all the facts concerning the tests be presented in simple, understandable terms. He stressed the following points:

1. Both the business man and the psychologist must guard against the tendency to plan an elaborate program in a situation which is not suitable for constructive and promising results.

2. Possibly the greatest stumbling block to successful testing is the difficulty of establishing exactly what constitutes success in handling.

3. Among the most dangerous of pitfalls is the one baited with the promise of a test of general sales ability.

Dr. Viteles likened any test of general sales ability to the universal solvent sought by the alchemists of the middle ages. Sound research, he said, lends no encouragement to those who seek a test of general sales ability to be used in measuring aptitude for selling regardless of the field in which the selling is to be done. Nevertheless those who seek this "universal solvent" are sustained in their efforts by the promises, direct and implied, in connection with the marketing of psychological tests.

"In general it appears that the relatively simple device of determining experimentally the significance of marital status, number of dependents, organization affiliation and so on, to sales accomplishment has withstood the test of time better than any other single method employed in predicting achievement as a salesman," he said.

"There is an accumulation of evidence that personality has an important bearing on the success of a salesman and that personality tests may contribute to the selection of competent salesmen. However, it also appears that standard tests of personality available on the market are not the best or even particularly good instruments for measuring the personality qualifications of salesmen."

Dr. Viteles warned that if personality is to be measured it can only be done to advantage through careful analysis of appropriate items and the choice of those which experiment has shown to have value in the selection of the particular kind of salesmen in which the investigator is interested. The practice of merely picking up a test which

determining whether or not to take on a new man.

W. C. Treuhaft, president of Tremco Manufacturing Company paid tribute to the pioneering work of the life insurance business in the successful use of tests in sales personnel selection. He said that the company's personnel staff after considerable research prepared a battery of tests, chiefly aimed at determining intelligence, mental alertness, constructive observation, thoroughness, constructive imagination and adaptability.

Results were discouraging till a psychologist consultant showed that whereas the executives had been attributing failure chiefly to such general reasons as lack of intelligence, laziness and the like, these vague descriptions had to be broken down into such factors as emotional maladjustment, family background, early work habits, anti-social tendencies, emotional attitude toward training and supervision, emotional difficulties arising out of domestic situations, habits which were well established on previous jobs and which interfered with adaptation to the new job. Mr. Treuhaft stressed the development of a new consciousness of the importance of emotional factors in the success of a beginner.

Offers Four Conclusions

On the basis of his company's experience Mr. Treuhaft offered the following conclusions:

1. It is no solution to employ a psychologist and put on his shoulders the problem of selecting salesmen. A psychologist can help improve the methods and techniques of selection, training and development of salesmen but he can only assist as a technical adviser working with management at the main office and in the field and management must in the final analysis assume the real burden of determining company policy and winning the wholehearted cooperation of the entire field force to that policy.

2. Ready-made tests in general do not constitute an answer to the problem of selecting salesmen. Even if standardized tests are to be used they must be tried out and evaluated against the background of the particular company's experience.

3. Selection of salesmen is only one part of the problem of developing a sales organization. There must be a follow-up to study and tie in the problems and methods dealing with training, development and supervision.

4. The personnel problems of sales management are never solved. They are continuing and enlarging constantly. Therefore a research dealing with sales personnel problems must be regarded as a continuing function, like research in other divisions of business. The value of the psychological consultant's services increases as he learns more about the business of the organization he is serving. A short-time program of psychological assistance does not therefore seem to be sound business procedure.

Aetna Executive Speaks

Dr. Marion A. Bills, assistant secretary Aetna Life, gave three illustrations of tests which on the surface looked as if they would be successful aids in selection but which actually proved worthless. He pointed out, however, that during the time these tests failed to prove serviceable the company tried out at least twice as many that have proved useful both in the selection and promotion programs and are now being used.

One of the three defective tests was especially for commissioned salesmen. It was based on the assumption that the salesman is the extravert, dominant person. The trouble with the test was that it led to unconscious bluffing. The applicants were all sales-minded or they

ACTUARIES

CALIFORNIA

Barrett N. Coates Carl E. Herfurth
COATES & HERFURTH
CONSULTING ACTUARIES
582 Market Street 437 S. Hill Street
SAN FRANCISCO LOS ANGELES

ILLINOIS

DONALD F. CAMPBELL
and
DONALD F. CAMPBELL, JR.
Consulting Actuaries
100 N. La Salle St. Chicago, Illinois
Telephone State 1330

WALTER C. GREEN

Consulting Actuary
Franklin 2433

211 W. Wacker Drive, Chicago

HARRY S. TRESSEL

Certified Public Accountant and
Actuary
10 S. La Salle St., Chicago

Associates
M. Wolfman, A. A. I. A. Franklin 4020
N. A. Mowcovich, Ph. D.
L. J. Lally

INDIANA

Haight, Davis & Haight, Inc.

Consulting Actuaries

FRANK J. HAIGHT, President
Indianapolis—Omaha

HARRY C. MARVIN

Consulting Actuary

221 E. Ohio St.
INDIANAPOLIS, INDIANA

NEW YORK

Established in 1885 by David Parks Fackler
FACKLER & COMPANY
Consulting Actuaries

Edward B. Fackler Robert O. Holman
8 West 40th Street New York City

Consulting Actuaries
Auditors and Accountants

S. H. and Lee J. Wolfe
Lee J. Wolfe
William M. Corcoran
Joseph Linder
110 John Street, New York, N. Y.

PENNSYLVANIA

FRANK M. SPEAKMAN

CONSULTING ACTUARIES

Associates
Fred E. Swartz, C. P. A.
E. P. Higgins

THE BOURSE PHILADELPHIA

Statisticians Pick Miller President at Convention

(CONTINUED FROM PAGE 1)

ize himself with the problems of management to the extent that he can effect every possible economy to aid management, harried in these times by increased taxes, lowered interest rates, and all the reflections in mortality and economic stability which the world situation promises. "We have developed a number of very wonderful machines to furnish us with almost any kind of data which we desire. But we cannot become robots and let these machines run away with us," Mr. Karrmann said. A statistician must understand what lies behind the superficial figures he deals with. He must be able to discriminate between what is vital data and what is not in order that he may apply his knowledge and methods in furnishing reports full of meaning to his company.

A welcome to Chicago was extended by L. D. Cavanaugh, president of Federal Life. Extending the commercial key to the city, Mr. Cavanaugh characterized statisticians and accountants as indispensable to insurance. The methods developed by these men have weathered every test in all lines of insurance and have been instrumental in gaining public confidence in the impregnability of the institution, he said.

Miller Cites Refinements

In summarizing the work of the research division of the association, B. H. Miller, the new president, told those at the general session that through the questionnaires which have been sent out during the year to member companies, the I. A. & S. A. has amassed the most thorough survey of punch card accounting and statistical equipment in any industry. Reports on methods and facilities of individual companies have uncovered a number of refinements and improvements which should have the attention of all businesses, he said.

R. R. Benjamin, assistant actuary Metropolitan Life, cited the progress which has been made by statisticians and accountants in his company in tracking down the interdepartmental costs. These myriad, overlapping costs have hitherto been the subject of guesswork and Mr. Benjamin said that the statisticians have been steadily clarifying cost allocation in company operations.

As representative of the agency in which most of the statistical tools now employed in insurance were originated, C. L. Dedrick, chief statistician Division of Statistical Research, U. S. Bureau of Census, staggered the audience with his account of the immensity of the problems facing the world's largest statistical organization and the accuracy and ease with which they are dealt. In the handling of population data and its application to the problems of business, agriculture and government administra-

Receive Appointments from Canada Life



A. G. MACKENZIE

A. Grant MacKenzie, manager of the Windsor branch of Canada Life, has joined the agency department at the head office. He joined the company in 1926 in Detroit and later moved to Montreal. In 1936 he was appointed Windsor manager. His organization there won third place both in 1939 and 1940 in the "President's Award" competition, based on factors representing every important phase of branch management.

R. A. Sanderson, agency supervisor,



R. A. SANDERSON

has been appointed manager in Vancouver. He has been with Canada Life since 1922, when he entered the mathematical department at the home office. He later gained valuable experience in many other lines, including conservation and group sales. In 1933 he moved to the agency department, specializing in training and educational work. Since then he has spent all his time in agency activities and has traveled extensively throughout Canada and the United States.

tion, the bureau employs the most advanced statistical machines in the world, many of its own design, Mr. Dedrick said. The history of mechanical statistics in private enterprise has been based on the release of bureau machines to private manufacturers. Mr. Dedrick spoke of the mass of useful population data which the Bureau of Census has furnished insurance companies in the past and expressed the desire of his colleagues to cooperate in any way possible in the future.

Switching to Machines

Hitting at the heart of the company attitude which statisticians seek to eliminate, J. E. Hyman, actuary Gulf Life, stated at the opening of the life insurance session: "The way things have been done always seems best to those doing it that way." He then went on to describe the problems and procedures of his company in switching ordinary accounting and premium billing from manual methods to machines. He called the results obtained from the change typical in that they resulted in greatly increasing the speed of business and in improving the accuracy of records.

The methods employed by his company in handling industrial agents' records were described in a paper by E. F. Cooley, assistant supervisor Prudential, which was read by A. W. Wolf, Prudential. Calling industrial the "backbone of the company," Mr. Cooley described the problems presented as unique. He indicated that his company is attempting to enlarge the field of records to measure, besides the agents' volume, turnover and the real contributions of individuals to the business. Departing from Mr. Cooley's talk, Mr. Wolf observed that his company's experience has shown that the handling of statistics on agents and policyholders in centralized form in the home office has proved more efficient than delegating such tasks to the various branches.

Warning against over-mechanization of accounting, C. W. Carrel, assistant comptroller Lincoln National Life, pointed out that accounting methods are dependent upon the size of the busi-

ness handled. He described the practice of his company in applying the punched card, machine method to salary savings insurance. In salary savings insurance, the companies deal directly with the paymasters of the various firms cooperating. A paymaster is critical of accurate and prompt accounting methods employed by the insurance companies and hence is more appreciative of prompt and efficient handling. Securing the good will and respect of paymasters results in the best possible publicity for the insurance company, Mr. Carrel said.

Cincinnati Men Complete Course

Some 32 Cincinnati life insurance men received certificates on the completion of an advanced underwriting course sponsored by the Associated Life General Agents & Managers, given by J. E. Rappoport, tax attorney. Cum laude certificates were awarded J. S. Drewry, Mutual Benefit; W. J. Mack, Northwestern Mutual; M. N. Woodside, New England Mutual, and Harvey Shepard, Mutual Benefit. Honorable mention awards were given T. W. Evans, Massachusetts Mutual; A. B. Heilman,

Mutual Benefit; W. B. Hardy and Gerald Isphording, New England Mutual; T. M. Herman, Northwestern Mutual; W. J. Williams and W. O. Burns, Western & Southern, and M. Schwab, Northwestern Mutual.

Greatest production of business and estate conservation insurance was achieved by C. H. Richardson, Mutual Benefit, followed by G. W. Isgrig and R. C. O'Connor, Reliance Life, and W. B. Hardy, New England Mutual. Total business on 38 of these cases was \$774,333. Mr. Mack was chairman of the educational committee and Paul Speicher, R. & R. Service, spoke at the presentation.

Connecticut Mutual Host to Leaders at Home Office

Connecticut Mutual agents who had qualified for five consecutive years for the company's organization, the "Dependables," were guests of President J. L. Loomis at a series of conferences in the home office. E. C. Andersen, educational director, had charge of the program which included speeches by P. M. Fraser, executive vice-president, and L. J. Fink of New York, leading agent.

Membership in the "Dependables" is based on the ability of the agent to earn enough in commissions to meet a budget which will comfortably cover his financial requirements. The organization was conceived and organized by V. B. Coffin, vice-president and superintendent of agencies, five years ago to dramatize the business of earning a living. Welcoming them to Hartford, Mr. Coffin spoke of the prestige the "Dependables" hold in the organization and characterized them as "a group to which the Connecticut Mutual looks for field leadership and advice in the years to come."

Correction as to Kansas City Life

In the issue of April 11, under the summary of war restrictions on life policies, it was stated that Kansas City Life comes under the classification "Extra premium will provide full coverage except foreign air service." As a matter of fact the war clause rider used by this company excludes death from service, travel or flight in any species of aircraft except on duly licensed common carriers and no extra premium can be paid so that aviation deaths would be covered.

Prudential Athletic Group Elects

New officers for the Prudential Athletic Association at the home office include N. O. Pierson, industrial policy department, president; R. D. Tompkins, settlement options, first vice-president; T. A. McTague, claim accounting, second vice-president; E. A. Beahan, correspondence, secretary; Boris Riedinger, treasurer's department, assistant secretary; David Wagner, accounting, financial secretary; A. A. Eckart, cashier's department, financial secretary.

Something New IN LIFE INSURANCE

A Pure Protection . . . ordinary or whole life policy without cash values

Our limited pay policies permit the withdrawal of cash values

Without cancelling policy

Without note, interest or reducing policy

Many other new features that appeal to thinking people

Commissions that will interest any salesman. Previous experience not essential

Interstate Reserve
Life Insurance Company
TEN EAST PEARSON STREET, CHICAGO



ONE
OF THE MANY
GREAT FRATERNALS

AID ASSOCIATION for LUTHERANS
APPLETON, WISCONSIN

LEGAL RESERVE FRATERNALS

Plans Ready for Fraternal Week

Better organization by the progressive fraternal societies for Fraternal Week to be observed starting Monday is expected to break all records for insurance volume produced.

In past years the week was marked by rallies of lodges and state congresses, with special programs, ceremonies and drills, but unlike the old line life companies with their "Annual Message" week, there was little effort to capitalize on the stimulus to sales of insurance thus afforded.

Provided with an organized selling plan worked out through a special committee of the National Fraternal Congress, and promotional material for the week this year, with the patriotic symbol of the Liberty Bell and a striking red, white and blue poster to publicize the effort, many societies confidently anticipate greatly increased production of business next week.

O. E. Aleshire, president Modern Woodmen, member N.F.C. executive committee and past president of its Presidents Section, prepared an inspiring message for the week which was distributed by F. F. Farrell, secretary-manager of N.F.C., and is being reproduced in societies' publications.

The address is to be delivered by various speakers at fraternal meetings throughout the country.

Address Urges Fraternalism

Fraternal societies have high ideals; they are regarded as benevolent organizations, the address relates. It would be well to keep them so.

"If service is the yardstick by which we are to be judged, then a great duty and a great challenge confront us. It is clearly our duty to maintain ourselves as fraternal insurance societies, not only under the law, but also in the minds of the public.

"We must continue our fraternal service and welfare work. We must strive without ceasing to practice tolerance, good will, kindness, brotherly love and peace. We must not unduly compete with one another, but with a friendly co-operation seek to do our duty as good citizens and to make our land a better place in which to live."

The address stresses the necessity of concentrating on giving unexcelled service, pointing out the societies are in this period of their development.

"By the service we render, all our societies will be judged. The value of a society is not necessarily in the size of its membership nor the amount of its assets nor in the volume of insurance in force. That fraternal insurance society is best which best serves."

Modern Woodmen Head Camp Rally Set for June 3

The quadrennial national convention, or head camp, of Modern Woodmen will be held in LaSalle hotel, Chicago, June 3. This will be the 24th such gathering held in the society's 58 years. The regular meeting of the national camp secretaries association, made up of the recording officers of the society's local camps, also will be held there.

J. G. Ray, national secretary, stated about 11,000 meetings are held in connection with and prior to the head

camp. At meetings of the local camps throughout the jurisdiction in March, delegates were chosen to county or district camps, which in turn selected representatives to the state camps. The county and district camps, 1063 in all, held their meetings April 2, and state and provincial camps are meeting May 2. There were 52 state and provincial camps held in the United States and Canada to elect head camp delegates.

Royal Neighbors Officers Endorsed for Reelection

All supreme officers of Royal Neighbors, Rock Island, Ill., were endorsed for reelection at business sessions of various of the 32 quadrennial state camps held last week. The election of supreme officers will take place at the 19th quadrennial supreme camp, June 16-20, in Duluth. Headquarters will be the Duluth hotel.

The officers endorsed for new four-year terms are: Supreme oracle, Mrs. Grace W. McCurdy, Bettendorf, Ia.; recorder, Miss Erna M. Barthel, Rock Island; receiver, Mrs. Clara Hoyt, Baraboo, Wis.; managers, Mrs. Alice C. Nash, Hopkins, Minn.; Mrs. Margaret Gorman, Chicago; Mrs. Edna E. Walsh, Kansas City; Mrs. Frances Torkelson, Lincoln, Neb., and Mrs. Jessie Mitchell, Brighton, Mich., and auditors, Mrs. Bessie Hayden, Lowell, Ind.; Mrs. Florence Harris, Muskogee, Okla., and Mrs. Burkella Snyder, Council Bluffs, Ia.

Dr. Hada M. Carlson, Moline, also was endorsed for reappointment as supreme physician at the Illinois state camp. Resolutions of endorsement commended the officers for their sound administration of the society.

At the state meetings 186 delegates to the supreme camp were elected.

John Stock Honored on 25 Years with Maccabees



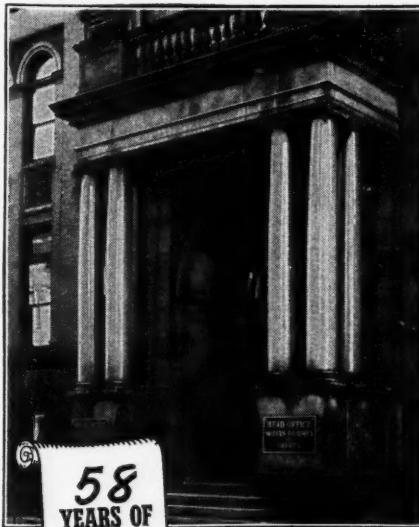
JOHN P. STOCK

John P. Stock, great commander and state manager in Illinois of Maccabees, was honored on his 25th anniversary with that society at a gathering in Chicago attended by some 650 guests including nationally prominent fraternalists and officials of many other societies. Mr. Stock had just returned from attending a meeting of the Washington and Oregon fraternalists, and the silver anniversary celebration for him was a complete surprise. The Maccabees Illinois trustees were hosts, and arrangements were made by Mildred P. Wikes, Mr. Stock's secretary.

Alex O. Benz, president National Fraternal Congress and Aid Association for Lutherans; Walter C. Below, vice-president N. F. C., president Fidelity Life of Fulton, Ill., and Illinois Fraternal Congress; T. R. Heaney, secretary Catholic Order of Foresters and N. F. C. vice-president; Dr. B. F. Black, medical director Maccabees, and president Canadian Fraternal Congress; Mayor E. J. Jefferies, Jr., of Detroit, general counsel Maccabees; F. F. Schwarz, Toledo, na-

A \$90,000,000

Society



58
YEARS OF
SERVICE

Entering upon its fifty-ninth year, looks confidently to an ever-widening spread of fraternal life insurance service to the people of America in the years ahead.

1883

\$620,000,000
paid in benefits

1941

MODERN WOODMEN OF AMERICA

HEAD OFFICE

ROCK ISLAND, ILLINOIS

Life Insurance PLUS

One-Half Settlement Option

If John Renshaw* had been an office worker, the accident which transformed him into a semi-invalid might not have been so tragic. But there was one single ray of hope:

John Renshaw owned a \$2,000 20 pay Maccabees certificate. Written in bold type on the face was a clause he'd never dreamed would apply to him—provision for payment of one-half the face value in the event of total or permanent disability. Shortly after the accident, John Renshaw received a check for \$1,000.

With such EXTRA BENEFITS as these, it's no wonder Maccabees field workers are so completely sold on Maccabees protection—and find it so easy to sell to others.



*Although the name, John Renshaw, is fictitious, the case quoted here is true in every detail.

THE MACCABEES

5057 Woodward Ave.

DETROIT

MICHIGAN

THE WOMAN'S BENEFIT ASSOCIATION

Founded 1892

A Legal Reserve Fraternal Benefit Society

Bina West Miller Supreme President Frances D. Partridge Supreme Secretary

Port Huron, Michigan

tional director and Ohio manager, and Irvin Jacobs, Chicago realtor, active in Maccabees in the state and member of the board of governors of Mortgage Bankers Association of America, extended greetings and felicitations. R. H. Matthias, Lutheran Brotherhood, Chicago, was toastmaster. F. F. Farrell, secretary-manager N. F. C.; B. W. Risse, former Illinois department fraternal supervisor, Peter Wiggle, national director of Maccabees, Detroit, and many other prominent fraternalists attended. Mrs. Stock was a special guest.

Presented Many Gifts

Mr. Stock was presented a number of fine gifts including registered golf clubs and bags, and movie camera and projector by Mr. Jacobs in behalf of the Maccabees' Illinois membership; \$25 in silver from the Illinois sales representatives, pen and pencil set from the trustees, and a gold Maccabees pin set with two diamonds, gift of Garden City Camp No. 76, Chicago, Mr. Stock's own lodge.

Mr. Stock had been in charge in Illinois since 1932. Previously he had much business experience in Chicago, while devoting much time to Maccabees interests. He was president of the Illinois Congress 1937-38, and is a national director of Maccabees and chairman of the home office budget committee.

Postpone Nebraska Measure

LINCOLN, NEB.—The bill providing a procedure whereby fraternal companies was indefinitely postponed by the Nebraska insurance committee. The measure was asked for by officers of the Woodmen of the World, who said they had no present intention of utilizing the proposed statute but desired to be in a position to do so if adverse legislation is passed in other states.

W. O. W. Men Address Rally

W. C. Braden, Lake Charles, La., a national director, and Dr. Hobert B. Kennedy, national medical director, of Woodmen of the World, Omaha, spoke at a head camp meeting in Grand Island, Neb., of the Nebraska, North and South Dakota jurisdiction.

Clark Wood District Manager

Clark Wood has been appointed district manager of Maccabees at Lubbock, Tex. He is a brother of Edward Wood, district manager at Dallas. Clark Wood formerly represented Southwestern Life, specializing in salary savings insurance, paying for \$250,000 in that company in his last year. He has established office in the Lubbock National Bank building.

Woodmen Club's New Quarters

The Woodmen Club, organized last fall to open a clubhouse in Milwaukee for the 4,000 members of the Modern Woodmen in Milwaukee county, is located in 734 North 26th street, Milwaukee. The name has been changed from Woodmen Club, Inc., to Woodmen Club of the Modern Woodmen of America of Milwaukee County.

Campaigns for 9 Trustee Candidates Now Organized

The candidates for trustee of the National Association of Life Underwriters, now actively in the race, are:

E. L. Allison, Tulsa; C. D. Connell, general agent Provident Mutual, New York; W. R. Furey, general agent Berkshire Life, Pittsburgh; W. W. Hartshorn, Metropolitan manager Hartford; P. B. Hobbs, Equitable Society manager Chicago; Ralph W. Hoyer, John Hancock general agent, Columbus, O.; H. L. Lawrence, Lincoln National general agent Newark; Thos. B. Reed, Great Southern Life, Oklahoma City; Homer Rogers, Indianapolis manager Equitable Society.

Subscribe to **Accident & Health Review**, \$2 year. 175 W. Jackson Blvd., Chicago.

Fraternalists Felt to Have Assured Place

(CONTINUED FROM PAGE 3)

considered to be insolvent so long as it had money to pay its death claims.

It was a difficult job for the leaders in the business to sell members on the necessity of putting the rates on a sound actuarial basis. He said fraternalism developed through the members from the old guilds and friendly societies of Europe, the purpose being to furnish insurance very cheaply. At first most of the members were young, healthy workmen and the mortality in the early years was very low and societies prospered.

Rate Change Hard to "Sell"

The change in rates was a slow process. Members were slow to see the need for it. With the democratic form of government of societies, members participating actively in management, and delegates with a hand in rate making, all had to be convinced of the soundness of the plan of action before anything could be done. Some of the first rate modifications when reviewed today in the archives seem ludicrous, he said. Obviously, the rate setup was done by members who had little or no idea of actuarial principles.

"It took many years of trying to establish a correct rate basis to convince the members that actuarial calculations were necessary, and only recently have the fraternalists come into their own. Now they have done a mighty fine job of selling the societies' members the necessity of going and remaining on a sound, solvent basis. Now it is customary and usual to have sound rates and to maintain reserves on a proper basis."

Definite Place for Fraternalists

Mr. Green found that 60 of 215 societies were on 4 percent minimum interest rate table, 119 on 3½ percent, 26 on 3 percent and 10 did not indicate their basis. He noted that the Fraternal American Experience table which is employed by a number of societies, using the National Fraternal Congress table at younger ages and American Experience at older, provides adequate and conservative reserves which in the main are greater than those produced by the American Experience table.

There may be other reasons for the loss in membership than the rate readjustment which has been taking place since about 1915, Mr. Green said.

"There seems to me to be a definite place for fraternalists," he commented, "and they are working it out and finding their place."

Other Officers Elected

Lyle Barnhart, examiner of the Illinois insurance department, also spoke on fraternal insurance.

Mr. Huston was vice-president for the last year. R. I. McIver, actuary Washington National, was elected vice-president, and J. A. Roberts, assistant actuary Continental Assurance, re-elected secretary-treasurer, a post he has held for a number of years. The slate reported by Harold A. Reise, consulting actuary and past president, was unanimously adopted.

Agency Method Is the Best

"I believe that there is nothing about life insurance more typically American than the plan under which it is sold by agents. Of course, life insurance can be bought 'over the counter' anywhere in America. But this method has one inherent weakness. It does not give the buyer the benefit of a most valuable element in the American agency system—the broad experience of life insurance men and women in determining actual individual needs, and in fitting the functions of different types of life insurance to those needs."—J. A. Stevenson.

N. Y. Association Backs Connell for National Trustee

Clancy D. Connell, general agent Provident Mutual, New York City, has been unanimously endorsed for National association trustee by the New



CLANCY D. CONNELL

York City Life Underwriters Association. A special committee with Julian S. Myrick as chairman has been named to do everything possible to insure Mr. Connell's election. Mr. Connell has been very active in association affairs. He has been a director of the New York association continuously since 1925, having served as treasurer 1927-1930 and president 1931-32.

Mr. Connell has been a delegate to the New York State Life Underwriters Association since 1931 and was chairman of its general legislative committee. He was twice vice-president of the state association and was its president 1935-37. He has been the New York City association's representative on the national council since 1931. In national affairs he has served as a member of the nominating committee and was for several years a member of the finance committee. He was chairman of the National association's agency practices committee last year.

Mr. Connell received his A. B. degree from Hamilton College and was the first chairman of the newly organized Hamilton College Alumni Council.

Life Consultant Shows How to Meet Religious Objector

Opposition to life insurance on religious grounds is considerably on the wane, but now and then an agent comes up against it and a letter by H. T. Miller, life insurance consultant, Detroit, to an actual objector demonstrates how such a matter can be handled.

The objector had written to Mr. Miller saying: "My conscience is with God, who is well able to take care of those who trust him. It seems to me a lack of confidence to consider a matter of life insurance."

Mr. Miller answered: "I do not believe God ever intended to imply that He would take care of those of us who lazily indulge in the practice of depending on Him for the necessities of life without making an effort to use the mental and physical gifts He bestowed upon us for the very purpose of producing the materials for the preservation of ourselves and those He has made dependent upon us."

Suppose all of us decided it was contrary to the will of God to plow or furrow the land, to disturb the waters of the sea, to penetrate God's air with sound waves or to extract electricity from above or to pump oil from below

Social Security Card Aids Approach

BRIDGEPORT, CONN. — Use of the social security board's card, form OAR-7004 is extremely helpful in approaching prospects and working out their programs, Solomon Huber, Einstein & Salinger agency, Mutual Benefit Life, New York City, said at the luncheon meeting of the Bridgeport Life Underwriters Association. Few agents know of the existence of the OAR-7004 card but branch offices of the social security board will furnish any number desired. It enables anyone under social security to obtain an exact statement of his social security account to date. By having these cards the agent can give impressive evidence of his desire to help the prospect work out his life insurance so that it can be accurately coordinated with his general estate and social security benefits.

Apart from building prestige, the card serves as an excellent approach Mr. Huber said, suggesting the following:

"Have you secured a statement of your federal old age and survivor insurance account?" The question arouses interest and is technical enough so that the prospect will ask for an explanation. The social security board will readily issue the information but it will do so only at the insured's request. This means that there must be a positive form of action on the part of the prospect in that he must mail the card in order to obtain information.

Another advantage of using the card is that an accurate and honest life insurance program cannot be arranged without complete social security figures. Mr. Huber said.

the earth, Mr. Miller wrote. "If such were the case, the whole world would be devoid of progress."

"I cannot conceive of a God," he continued, "that would look with favor on a man who by diligent labor provides himself with all of the comforts and luxuries of life and then directs that his wife and children shift for themselves after he ceases to enjoy his earthly existence. Life insurance does not insure life, it merely assures food and clothing and education and housing for those we love, for those who are dependent upon us, and for ourselves, too, if we live long enough."

Mr. Miller closed his argument with a quotation from the Bible, "He that provideth not for his own and especially those of his own household is worse than an infidel." Failure to provide is merely an excuse and not a Godly reason.

Women continue to control most of the nation's wealth, but relatively few life insurance salesmen seek business regularly in this field. The buying power is there, and competition is at a minimum.

"Map or Book" Story by Wright Makes Big Hit

President Harry T. Wright always holds his audience in a good humor throughout by sandwiching into his message numerous stories. One of the stories that is most greatly appreciated is that of a new agent, a man of nervous disposition, lacking in confidence and jittery. He went out to his first call with a specimen policy in one pocket and rate book in the other.

During the interview he stammered, pulled out first the rate book, then the policy and repeated the process several times, in general presenting a confused appearance.

Finally the prospect took mercy, saying, "Don't worry, my good man. I'll buy something from you, but I haven't decided yet whether it will be the book or the map."

Sales Ideas and Suggestions

Works Out Substitute for Single Premium Plan

NEW YORK—Because of the growing reluctance of companies to accept single premium endowment policies for large amounts, Grant A. Sharpe, manager brokerage department of the Mutual Benefit Life's home office agency in New York City, has worked out a substitute that is very satisfactory to the insured and gives him some actual and potential advantages not found in the straight single-premium endowment contracts. The arrangement also appeals to men who are currently abnormally prosperous but fear their affluence will scale down when the boom is over.

The gist of Mr. Sharpe's plan is to have the prospect buy a high-premium retirement income form with the idea of discontinuing premium payments after one or two have been made and putting the policy on a paid-up basis to mature at the specified retirement age. For example, suppose that a man 37 years old has about \$5,000 to invest. Instead of buying a single premium endowment he buys \$25,000 of income endowment, the Mutual Benefit's name for its retirement income policy. This would pay, if carried through, \$250 a month, beginning at age 55, for life and 17 years certain.

Two Premiums Use Up \$4,807

If the prospect pays two premiums it would just about use up his \$5,000, as each gross premium is \$2,403.50. At the end of the second year the policy-

holder takes a paid-up endowment for \$5,825 maturing at age 55. The paid-up policy continues to pay dividends and on the present scale these dividends, together with those received during the premium-paying period, would result in a total maturity value at age 55 of \$6,991.

This figure of \$6,991 is a shade better than 2 percent compound interest on the policyholder's investment. In addition he has had \$25,000 of protection for two years and for the remainder of the endowment period he has had a small amount of insurance protection above its cash value. Not the least of his collateral advantages is the privilege of making further premium payments in case he finds that he is in a position to go on with the contract rather than dropping it at the end of the second year. This is the feature that appeals to men who may be uncertain of continuing their currently high incomes.

Can Take Extended Option

On the other hand if at the end of the second year the policyholder finds that he needs protection more than he does investment he can cease premium payments and have extended insurance for the full \$25,000 for 16 years more, which would bring him to age 55 and at that time would get \$575 as pure endowment.

The same plan can be worked out for older men by using endowments maturing at 60 or 65.

his opinion, the method of "getting to" people is most important in any prospecting, giving practical examples of methods used successfully in his agency. As to closing, he pointed out that too many underwriters think the prospect will buy simply because they have discussed insurance with him. "Too many underwriters," he said, "do a good job of explaining insurance but not a real job of selling."

Baby Bonds, Savings Stamps

As to government competition through social security, baby bonds and savings stamps, he feels that social security has definitely awakened the people of the nation to the need for monthly income, that baby bonds and savings stamps might be considered as endowment forms of policies for their purchasers and that the life man should write some term insurance to guarantee maturity of the endowment. He said it might also be pointed out that in buying life insurance the prospect is making a contribution to the purchase of baby bonds. Life insurance companies are buying government bonds for investments and thus the money deposited with the company helps to buy these bonds. He feels that life underwriters might well devote some time to assisting in the sale of baby bonds and that any time thus invested would definitely not be wasted. He reminded his audience of the fear during the last war concerning government insurance, yet it turned out to be one of the greatest "boosts" in history for life insurance.

Effect of TNEC Investigation

As to the effect of the TNEC investigation, he urged the field forces of life insurance to do a "progressive job" and keep abreast of the times. He urged that field men pass on to their general agents and managers and through them to the companies any progressive ideas they may have as the result of daily contact with the insuring public. It is only through the field men, he said, that the home office executives are able to keep their fingers on the pulse of the public. He said that in this way life insurance would progress and would develop contracts to adequately care for the needs of the people.

Mr. Engelsman said he felt the trend the present year may be toward protection rather than investment; that with reemployment of several million people, there is bound to be a wave of optimism and as a result will come a wave of buying. People, he said, will buy a lot of things they do not need and which they have not been able to buy during the unemployment period. To attempt to "buck" this trend would be to run into a stone wall, he said, urging rather that the underwriters have a "yes-but" attitude, and endeavor to build a program of protection for families which can be paid for in addition to the purchases of some of the unessentials.

To meet the objection of the man who says he would like to buy insurance but does not know what the tax situation will be and whether he will have enough surplus to pay the premium, Mr. Engelsman suggested that term insurance be sold, then if the taxes are lower than anticipated, the insurance can be converted to a higher premium form. If taxes are high, the protection will be in force.

Commissioner Thompson of Oregon was an honored guest at the association's luncheon. He was for many years with the Union Central Life in San Francisco before moving to the Pacific Northwest and served as secretary-treasurer and president of the association.

Help Prospect to Justify Purchase

PHILADELPHIA — People like to think when they are confronted with making a decision that they carefully weigh all the factors involved and having done so pursue a given line of action only when impulse motivates them in the direction which logic has indicated, E. L. Reiley, co-manager Penn Mutual Life home office agency in Philadelphia, pointed out before the Philadelphia C.L.U. chapter. As a matter of fact, Mr. Reiley continued, the reverse situation is true. The impulse prompts the action after which facts are marshaled so that the action, which frequently has already been taken, can be justified.

This rationalization process is essential, as lasting satisfaction depends upon the individual's ability to convince himself and others that his action was justified.

Every good presentation must inject a strong emotional appeal which is calculated to arouse a buying impulse in order that action may take place. It is equally important that the presentation must include all of the logic which is necessary to enable the buyer to justify his action by the rationalization process. A sales presentation which lacks the former will fail. A presentation which lacks the latter may succeed, but will result in a dissatisfied customer. Only when both are included is the sales process complete.

The object of the approach is to sell the interview. Normal wants are always far ahead of economic ability to satisfy these wants and the prospect fears the interview because it may interfere with his purchasing something else that he desires. The only way that this first obstacle may be overcome is with an emotional appeal, the strength of which is greater than his fear. To do this it is necessary to consider the appeal which can be made to exert the necessary positive force. Self-preservation or benefit is one; profit is another, but the greatest of all human forces, Mr. Reiley declared, is the love of a man for his wife and his children.

There are two important factors in the presentation itself, the prospect's needs and the solution and fulfillment of them. He should be made to concur in the establishment of his needs to the extent of considering and reaching a conclusion as to their evaluation himself. He should be led to place a specific figure on the income which is required and on the duration of that income. With regard to the solution, he must understand clearly that the plan proposed will actually and positively meet the needs, that the plan will be carried out if occasion arises, and that it is the best plan for him to pursue.

Saturday Night Prospect Source

To those who have the ambition to produce an application a week on a steady basis, a Saturday night source of last resort prospects comes in handy. Although J. B. Hutcheson, Roanoke, Va., district manager Mutual Life of New York, plans his work carefully so that he has been able to maintain an app-a-week pace since he entered the business in 1922, he has found it necessary to go out to the Norfolk & Western shops in Roanoke on a Saturday night to maintain his record intact.

Mr. Hutcheson has qualified for the Mutual Life's \$250,000 field club for 19 years but before he leaves for the convention he lines up prospects in advance and makes arrangements for getting them examined in his absence.

Double Income with Social Security

BIRMINGHAM, ALA.—How two Birmingham agents, Ed Beason, John Hancock Mutual Life, and Jim Ivey, Prudential, doubled their incomes by using a special social security approach was outlined at a special sales clinic held by the Birmingham Association of Life Underwriters.

"All men covered by social security are interested in discussing it and the benefits derived," Mr. Beason said, "hence an agent who uses this approach is almost sure to find a common ground of discussion. The idea then is to show the man what he has under social security and what is needed in order to bring this up to the level of his present income, so as to afford full protection to his family in case of his death, disability or retirement at 65."

Uses 10 Percent Formula

Mr. Ivey uses a short cut formula whereby he estimates a man's social security benefits as 10 percent of his average monthly wage. This comes within cents of the actual figure, he said.

"With the amount of the social benefit in mind, I then ask the man to state the amount on which his family could live comfortably in case his income should be cut off," Mr. Ivey explained. "Then I figure the amount per month (on life insurance) this man will need to pay in order to bring the benefits up to the amount specified. I like to stress the payment per month instead of the face value of the insurance policy, as this is not as likely to scare the prospect."

Mr. Beason pointed out where life insurance can fill in skips in social security, as for instance taking care of children and their educational needs after age 18 (where social security

stops), providing a clean-up fund, and in general supplementing the government program.

Mr. Ivey gave a sample approach he uses: "Mr. Prospect, your wife has a job, a full time job being a good mother. Do you believe she could hold down another job of earning the living, too? (the answer of course being, 'no.') Well then let's arrange the greatest legacy a father can leave his family—their mother's time. For \$6 a month, I can arrange for your widow and orphans to receive \$500 in cash, \$80 a month for first 13 years, \$69.59 for the next three years and \$35.09 monthly for next two years, at which time all children are 18 years and over in age."

Then Mr. Ivey explains that part of this income is from social security and the balance from the life insurance to be provided by him. The amount of the social security is then deducted and the amount of insurance required to provide the income specified written.

Explaining Is Not Selling: Engelsman

SAN FRANCISCO—While numerous questions, ranging from government competition, the effect of the recent TNEC investigation and how to meet the objection, "I cannot afford it," were propounded by the audience at the San Francisco Life Underwriters Association luncheon, where R. G. Engelsman, New York City, general agent Penn Mutual Life, conducted an open forum rather than delivering a "set speech," most emphasis was laid on prospecting and closing.

Mr. Engelsman pointed out that, in

Life Insurance Thrift Due to Agents

(CONTINUED FROM PAGE 3)

the altar, making vows and facing without capital the grave hazards of life, Mr. Graham said. There occur obligations of supplying the children with food, clothes, shoes and school-books.

"The life insurance principle supplies to the Does of the world something of the ability to carry on with this obligation and much of the courage and freedom from fear necessary in the process," Mr. Graham said. "Without life insurance, in how many instances would inability to meet these basic needs subtract from self-respect? Without life insurance how much would the fear of these needs subtract from human happiness? To the John Does the life insurance dollar is the dollar that saves them from something and as such is far more important than the dollar that buys them something. The indemnity dollar is heroic in size as compared with other dollars."

Carries Out Life Objectives

He stressed the legitimate ambition of the typical American to give his children a good start in life may be attained through educational policies supplying insurance funds over four college years, and thus the planning for the college life can be achieved to the defeat of death itself by making provision through life insurance thrift. Similarly, John Doe may borrow mortgage money from a life company to acquire a home, repay in equal monthly installments over a fixed period, protected under an assured home ownership plan which in event of death cancels all further instalments and commonly leaves a cash balance for the family. Or annual or single premium old age annuities may be purchased for protection of the adults themselves.

Subsidiary Services

Among the services of life insurance are contemplated use of policy loans, extended insurance, grace period, even of reduced paid up insurance. Cashing in, which may defeat the original purpose of the policy, also may assuage an unanticipated emergency. Then there is group life insurance which operates to insure the worker's pay check for approximately one year's wage and supplements but does not substitute for individual insurance. In addition there is the payroll deduction plan, or staff insurance, which is worked out with the employer.

Great Usefulness to Business

Life insurance operates to bolster credit for the man who enters business on his own account with ability and reasonable expectation of success, but who may lack adequate capital and must borrow. It also covers partnerships to provide funds for liquidation of a deceased partner's interest and thus perpetuate the business, or similarly for a corporation to cover key men or to fund purchase of a stock interest and thus permit community of management.

ESTATE TAX

Mr. Graham took up at some length the estate tax, saying there should be proper tax amendments to offer much more complete sanctuary to whatever estate the average family may accumulate against unnecessary and unanticipated disaster. He said where liquid assets of ready cash or government bonds are put aside for the purpose of paying the estate tax, the government gets the tax, as it properly should, but the remainder of the estate is solvent and goes as directed to the heirs. Rich people sufficiently withdrawn from business enterprise and from use of adventure capital to be able to anticipate and liquidate death duties without forced sale have little need of life insurance, but are few in number. Forced sale reduces the value of the estate to

the point of positive disaster and also may be very embarrassing in reduction of values to business associates, relatives, and others interested in the same enterprises.

"But how about the small estate? How about the new enterprise that may be ruined by the imposition of estate taxes?" Mr. Graham asked. "Here again through the alchemy of life insurance the same act of death which creates the tax concurrently matures a life policy to pay the tax. The operation of life insurance as indemnity is far more important than the operation of life insurance as property. In fact, the distinction between life insurance and any other form of property is that life insurance only at times takes on the property aspect. Sometimes it is all indemnity; all times some part is indemnity; and at most times it is mostly indemnity. It is in its indemnity aspect that life insurance looms large in the protection of the estate, large or small; and of the investor, large or small, with money in going concerns and productive enterprises. Excess death duties may claim the very life of the enterprise."

He said it would be assumed a man who would build a useful enterprise, amass great capital, employ it usefully to make the country and the world a better place in which to live, and in so doing would build a great business empire, would assure to the government estate taxes due without compelling under possibly adverse industrial and market conditions utter disruption of the enterprise.

Taxes Threaten Enterprises

"But," he said, "does not this example bring home the importance of disassociating in every possible way the collection of a fairly assessed estate tax against a rich person from a widespread catastrophe to thousands of worthy small persons and to many communities? This tax as it would occur on one death or these taxes as they might appear in a quick succession of deaths on succeeding lives threaten great enterprises. Prudence suggests the application of the life insurance principle to the anticipation and amortization of these taxes."

TAX ON TAX

"Difficult as it would be to obtain the aggregate life insurance coverage to pay death duties in full on the huge estates, any sum of life insurance would help. Yet the laws as they stand today in the United States discourage this application of the insurance principle by causing the excess of all insurance over \$40,000 receivable in the aggregate by all personal beneficiaries to be subject to the estate tax itself."

He noted the suggestion of the National Association of Life Underwriters to amend the internal revenue code to exclude from tax life insurance proceeds earmarked for payment of estate tax by being made payable to and receivable by the U. S. Treasurer or any trustee in trust, and to the extent that such insurance is used for the payment of estate or inheritance taxes.

Urges Speedy Amendment

Mr. Graham said the U. S. Senate has seen the wisdom of such legislation and passed such an amendment on two occasions and it is urgently hoped it will again be passed by the Senate and

also the House to become law at an early date.

He also took up the premium tax. He said the premium is in itself a self-imposed tax which is the price of economic independence. Therefore, the premium tax levied by the government is a tax on a tax. Even in Great Britain, he said, despite difficulties of maintaining anything like a normal life under extraordinary conditions, inclusive of 50 percent income taxes, a rebate of income tax is allowed on life insurance premiums within certain statutory limits.

"Let the tax collector take heed of that great army of deputy tax collectors serving without pay, the life insurance agents of this country, who are responsible for the self-imposed premium tax which, in turn, protects the coffers of the nation by removing demands which would be made were it not for the out-pouring of life insurance funds for the most part in modest sums, but in the aggregate rising to the imposing figures quoted."

Greater Exemption Is Asked

He asked if it would not be worthwhile to think of relieving from income taxation a limited part of the income if used for life insurance protection. Such action might produce more than compensating returns in reduced demands on public expenditure. People who will take care of themselves and pay for the privilege of doing so are serving their country as well as themselves, Mr. Graham said.

NATIONAL ASSET

He paid special honor to the life insurance agents of the country who serve to level out the evils of want and distress that follow untimely death.

"The agents of this country, magnificently organized and devotedly at work, are a great national asset," he concluded. "They represent trained and skilled advisors on the business of life and apply to that business of life, which is the man's and the family's own hopes and plans, underwriting skill in the selection of policies and annuity contracts adapted to a vast variety of human needs that range from the hazard of dying too soon to living too long."

"The agent is the answer to the existence of life insurance in America today. We, in this country, because of the superiority of our agency system and not because of any superior underwriting skills or ingenuity have in force about two-thirds of the total life insurance existing in the world. Life insurance, born of consideration for

Quick with Tardy Fines That Go on Mercy Errand

When D. L. McDougall, Confederation Life, and E. H. Hanley, North American Life, returned to Toronto from the spring conference of the Life Insurance Sales Research Bureau at Chicago, they took with them \$26 in U. S. funds for the Canadian Red Cross. This contribution, symbol of U. S. support of the British fight, had a humble beginning in the bureau's custom of fining late-comers to meetings 5 cents for each offense. When those present learned the fines were to go to the Canadian Red Cross, they dug down in their jeans and boosted the fund considerably over the amount legitimately resulting from tardiness.

others, is a measure of civilization itself.

"If this is true, then the agent is a great civilizer, and it is true that without the agent, few, if any of us, would ever take out life insurance on our own initiative. Many of us think we do, because memory is fleeting. The good agent, too, is not emphasizing his part in causing the prospect to do that which in logic he might well have done alone, but which, in fact, he does not do without the agent."

"Can life insurance be written without the agent? The answer is, it has not been successfully done in this country. Comparisons of the net cost of life insurance under the American agency system with any and all attempts to produce life insurance without the agent happily show that the agent, important as his services are to the individual, pulls his own weight in the fact that no material savings have been established under any non-agency system. What has been established under any non-agency system is that the distribution of life insurance and the blessings of life insurance are so severely limited as to be of relatively little economic and social importance."

Finance Company "Ad" Barred

COLUMBUS—A finance company in Ohio, which had advertised "life protection at no cost" when soliciting borrowers, has been told to desist, as the practice is construed by the Ohio department as engaging in insurance or entering into a contract substantially amounting to life insurance, without complying with the state insurance laws.



In downtown LOS ANGELES HOTEL CLARK

15 Minutes from HOLLYWOOD

WITH the movie capital of the world and radio city within the borders of Los Angeles, entertainment reaches its zenith. Gay nights, laughter and life; sunny days filled with thrills and excitement. In the center of everything is situated the HOTEL CLARK at Fifth and Hill Streets. A hotel where you will enjoy hospitality to its fullest extent; where you will find your every wish anticipated. Whether you stay in Los Angeles for a few days or a month, choose Hotel Clark, downtown in the heart of things.

ROOMS

555

BATHS

from

\$2.50 per day

NEXT STOP ST. LOUIS!

AND MY STOP IS HOTEL Mayfair!
TOPS IN FOOD & SERVICE - AND RIGHT DOWNTOWN



Fines Errand

ll, Con-
Hanley,
rned to
confer-
e Sales
go, they
S. funds
s. This
S. sup-
had a
ureau's
ners to
ed the
ed the
in their
con-
legiti-
ness.

ivilization

gent is a
that with-
us, would
our own
we do,
The good
his part
that which
ne alone
do with-

en with-
s, it has
his coun-
cost of
American
all at-
ce with-
that the
s are to
weight in
gs have
a-agency
established
is that
ce thrift
nce are
of rela-
im-

rrered

pany in
fe pro-
ng bor-
as the
hio de-
ance or
antially
without
ce laws.

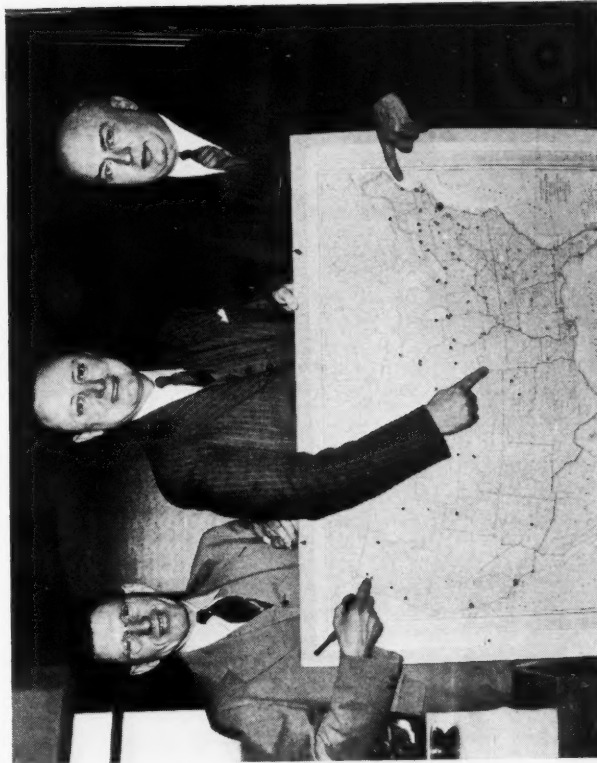


Executives of companies with \$125,000,000 or less insurance in force at Research Bureau gathering in Chicago. First Row, Left to Right: L. T. Boyd, Empire Life of Canada; E. H. McKinney, Equitable Life, Canada; Leroy Porteus, Indianapolis Life; Francis L. Merritt, Monarch Life, Mass.; Lee Cannon, Western Life; Davis Faulkner, Seaboard Life; George A. Adair, Girard Life; Vernon L. Thompson, Midwest Life; B. N. Woodson, Research Bureau; Morton Boyd, Commonwealth Life; Ralph R. Lounsbury, Atlantic Life; Edward B. Raub, Indianapolis Life; R. E. Irish, Union Mutual Life; John M. Holcombe, Jr., Research Bureau; Frederick D. Russell, Security Mutual, N. Y.; R. B. Richardson, Western Life; A. H. Kahler, Indianapolis Life; J. D. Van Scoten, Standard Life, Pa.; J. W. Blunt, Monarch Life; A. W. Tompkins, State Farm; Jack Parkinson, New World Life; Ford Hettich, Commonwealth Life; L. C. Bradley, Fidelity Union; W. D. Owens, Lamar Life; Sam E. Miles, Provident Life & Accident.

Second Row—Ward Phelps, Research Bureau; Alan W. Crowell, Monarch Life; Frank T. Limont, Pan-American; G. A. Stearns, Union Mutual; J. L. Johnson, Wisconsin Life; Jas. E. Schollefeld, Research Bureau; Spencer R. Keare, Federal Life; Harry Syllus, Beneficial Life; Harry S. McConachie, American Mutual; Matthew Thompson, American Reserve; R. G. Yeager, Lafayette Life; A. Walton Litz, Commonwealth; C. B. Gordon, Monarch Life; Martin W. Lammers, Farmers & Traders; Don Clapp, National Guardian; E. A. Freerichs, Security Mutual, Neb.; Joseph Dickman, Provident Life, N. D.; J. W. Cadigan, New World Life; J. D. McSpadden, Liberty National; M. Allen Anderson, Republic National; Frank L. Barnes, Ohio State; Frank B. Jacobsen, Farmers & Bankers; W. V. Woollen, Capitol Life; R. S. Moore, Midland Mutual; L. W. S. Chapman, Research Bureau; Wm. D. Haller, United Life & Accident; George R. Holdhusen, Wisconsin Life.



LEFT—On the opening day of the Jefferson Standard Life's convention in Augusta, Ga., Marion Harmon (left) of radio station WRDW interviewed M. A. White, agency manager; W. G. Clark, Sr., director; President Julian Price; and Vice-President Ralph C. Price who was general chairman.



These Prudential ordinary managers, attending the home office conference, point to three "garden spots" they call home: (Left to right) Austin Thayer, Seattle, Wash., Glen S. Baker, Kansas City, Mo., Arthur S. Kilburn, Portland, Me.



At the Chicago Association of Life Underwriters' annual sales congress: Col. C. B. Robbins, manager and general counsel American Life Convention; C. J. Zimmerman, Connecticut Mutual, past National association president, and Joy M. Luidens, Chicago association executive secretary; (right) Karl B. Korrad, vice-president Franklin Life, Springfield, and Harry Wright, National association president.



Joseph Charleville, manager Life Underwriters Association of Los Angeles, presents bronze plaque to Chase Wickersham, agency director, southern California branch of the New York Life, for having the greatest number of members in Los Angeles association of any one agency of any one company. The plaque lists more than 40 names.



George W. Oldham (left), Phoenix Mutual Life, Pittsburgh, receives from President Arthur M. Collens an engraved silver plaque in honor of 1,000 weeks, more than 19 years of consecutive weekly production, a record which has never before been equalled by a Phoenix Mutual agent and which has been approached by only a few men in the entire life insurance business.



Pilot Life officers presenting \$7,000,000 in business to President Emry C. Green secured in a March drive in his honor. Left to right: J. M. Waddell, vice-president and agency manager; Mr. Green; and W. B. Clement, superintendent of the industrial division.



Before the "mike" at the Jefferson Standard Life's agency conference in Augusta, Ga.: Karl Ljung, superintendent of agencies; Miss Mary R. Taylor, agency secretary, who swept the assemblage into roars of applause as she recounted company history, trials, and victories; and W. H. Andrews, Jr., Greensboro manager and a candidate for the secretary of the National Association of Life Underwriters.



Trevor Hawgood, manager Central Toronto branch Canada Life; A. N. Mitchell, president, and Vernon C. Hale, manager Central Ontario branch, are shown above (left to right) with the President's Award trophy which was won jointly by Mr. Hawgood and Mr. Hale. Based on factors which reflect efficiency in branch management, this award is the highest honor which can be earned by a Canada Life manager.



Deans of the Prudential field at the home office conference: Edward N. VanVliet, Newark, N. J., ordinary manager with 38 years of service and Samuel Saperstein, Union City, N. J., superintendent with 48 years to his credit.